ENVIRONMENTAL INFORMATION

DISCLOSURES REQUIRED BY THE EU TAXONOMY REGULATION

GENERAL INFORMATION ON THE TAXONOMY

Since January 1, 2022, public-interest entities with more than 500 employees must classify their economic activities in accordance with the EU Taxonomy Regulation and publish the results thereof in their consolidated non-financial statements or in their consolidated non-financial report (pursuant to the requirements of Section 267a and Section 243b Austrian Commercial Code (UGB)). All economic activities are to be classified as to their environmental sustainability.

When classifying its economic activities, voestalpine at times refers to the FAQs on the application of the EU taxonomy published in the EU Official Journal on October 20, 2023, as well as to the FAQs from March 5, 2025.

Assessment of alignment with the taxonomy regulations is carried out in a multi-stage process in which it is first determined whether an economic activity is taxonomy-eligible (i.e., in principle covered by the Taxonomy Regulation), and subsequently whether it is also taxonomy-aligned. Economic activities of a company that are not covered by the Taxonomy Regulation are not taxonomy-eligible.

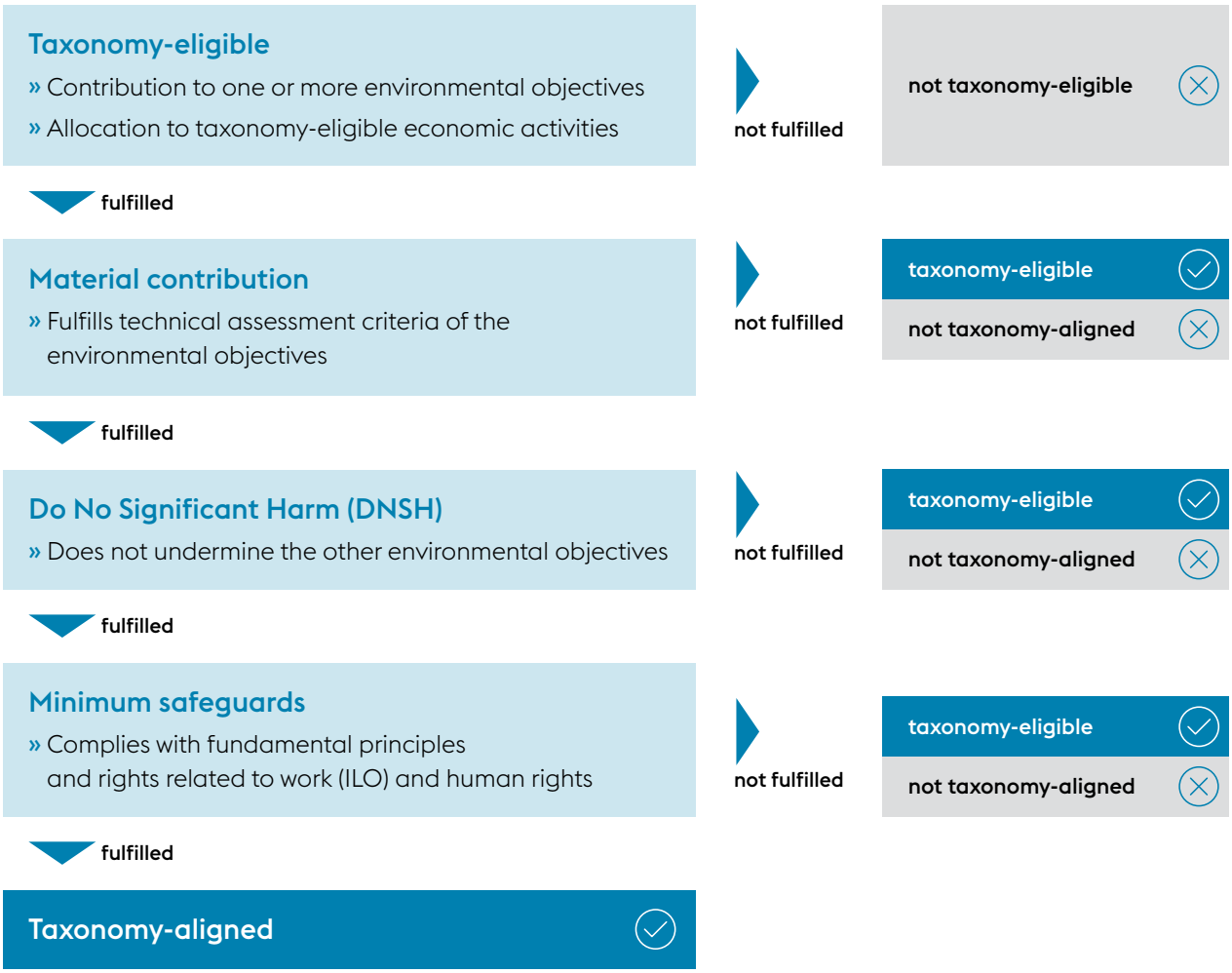
The taxonomy-eligible economic activities must make a significant contribution to at least one of the environmental objectives listed below in order for them to be classified as taxonomy-aligned. In addition, they must not significantly impair the achievement of other environmental goals (Do No Significant Harm; DNSH) and must meet minimum social protection criteria (minimum safeguards), e.g., with respect to occupational safety and human rights.

The EU Regulation identifies six environmental objectives:

a. Climate change mitigation
b. Climate change adaptation
c. Sustainable use and protection of water and marine resources
d. Transition to a circular economy
e. Pollution prevention and control
f. Protection and restoration of biodiversity and ecosystems

In implementing the Regulation, voestalpine classified all of its economic activities as related to the "climate change mitigation" objective. This also prevents activities from being counted twice.

DESCRIPTION OF THE MULTI-STAGE TAXONOMY PROCESS



IMPLEMENTATION OF TAXONOMY ELIGIBILITY IN THE voestalpine GROUP

The assessment of voestalpine's economic activities with regard to their taxonomy eligibility was carried out for the first time in the 2021/22 business year. Environmental goals 3 to 6 were also analyzed and evaluated with regard to their taxonomy eligibility as part of the 2023/24 business year's reporting.

A project team comprising personnel from the Group's Finance, Investor Relations, Environment, and Corporate Responsibility departments along with experts from each division was set up to this end. External experts were also consulted, including technical experts and scientific experts. In addition, clarifying interpretations and statements from European industry associations, such as the rail industry association UNIFE, were taken into account in the assessment.

The implementation process included reviewing the taxonomy eligibility of all Group entities. In addition, ongoing evaluation is carried out with regard to the applicability of the business activities to all environmental objectives.

This analysis identified economic activities of the voestalpine Group as taxonomy-eligible and allocated them to the following categories under the climate change mitigation objective:

» 3.9. Manufacture of iron and steel
The voestalpine Group engages in steel production based on the blast furnace route in Linz, Austria (Steel Division), and in Donawitz, Austria (Metal Engineering Division). The High Performance Metals Division engages in steel production based on electric arc technology at two plants in Europe (Kapfenberg, Austria; and Hagfors, Sweden) and one in South America (Sumaré, Brazil).

» 6.2. Freight rail transport
The voestalpine Group operates a rail transportation entity that uses the European railway network in Linz, Austria (Steel Division).

» 6.14. Infrastructure for rail transport
Worldwide, the voestalpine Group produces material components for railway infrastructure (Metal Engineering Division). These components include rails, turnout systems (from components to preassembled complete systems including drives, locking systems, and monitoring equipment), diagnostic and monitoring systems, as well as railway infrastructure services (logistics, rail treatments, rail welding, rail grinding, recycling, etc.).

DETERMINATION OF TAXONOMY ALIGNMENT

The underlying technical assessment criteria must be fulfilled in order for an economic activity to be classified as "environmentally sustainable" under the taxonomy regulations. These are quantifiable guidelines (environmental targets) on how an activity should be assessed in terms of its contribution to the respective environmental target. The Taxonomy Regulation specifies this significant contribution to the respective environmental target and also defines whether these economic activities cause significant harm to any of the relevant environmental targets. The DNSH criteria (Do No Significant Harm) must therefore also be observed in addition to the significant contribution criterion. This review must provide evidence that a given economic activity does not undermine the other environmental objectives.

voestalpine makes comprehensive contributions to climate change mitigation. As far as the business activities related to the production and downstream processing of steel as well as the transportation of freight by rail are concerned, they are generally deemed to contribute substantially to climate action as long as they fulfill the significant contribution to the environmental goal of climate protection pursuant to Category 3.9 and/or 6.2 or are lower than the predefined CO_2 limits on emissions. As far as the business activities of voestalpine Railway Systems 6.14 are concerned, they are generally deemed to make a substantial contribution to climate change mitigation as long as they fulfill the technical assessment criteria set forth in that category. The services of voestalpine Railway Systems fulfill the requirement that they are suitable for the use of trains with no direct CO_2 exhaust emissions. Services for rail tracks that are only intended for the transportation of fossil fuels are not included.

A comprehensive DNSH conformity assessment was carried out for the relevant economic activities (3.9, 6.2, 6.14).

The review of the DNSH criterion regarding the environmental objective "climate change adaptation" was conducted using a simulation-based software tool for identifying, quantifying, and disclosing physical climate risks to the relevant operating sites. A detailed climate risk and vulnerability analysis was performed for all relevant sites based upon this review. The representative concentration pathways RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5 of the future scenarios used by the Intergovernmental Panel on Climate Change (IPCC), the assessment reports on climate change by the IPCC, and central Copernicus services of the European Commission are used as the methodological basis. Adaptation solutions were determined as necessary and implemented based on the findings of this climate risk and vulnerability assessment.

In addition, the voestalpine Group also uses its management systems, such as the environmental management systems certified according to ISO 14001 or EMAS, which are widely implemented in the companies worldwide, to fulfill the DNSH criteria. These systems ensure that environmental impacts are identified and reviewed as to their relevance to a given operating site's environment and that any adaptation solutions aimed at impact mitigation are developed as necessary.

In particular, these analyses comprise and/or take into account environmental matters such as water (sustainable use and protection of water and marine resources) and biodiversity (protection and restoration of biodiversity and ecosystems).

In order to prevent and reduce environmental pollution, the voestalpine Group has created processes in its companies that ensure the production, use and marketing of substances in accordance with the national laws on chemicals.

In accordance with the DNSH requirements, certain bans and restrictions on substances based on European specifications must be observed, and substances with properties of very high concern may only be used if no other technically and economically suitable alternative substances or technologies are available on the market. If such a replacement is not yet possible, these substances must be used under controlled conditions. The Group-wide review of the DNSH compliance criteria came to the conclusion that these are already met to a very high degree at the sites carrying out the relevant economic activities. Non-compliant sub-areas were excluded from the calculation of the relevant key figures. Appropriate measures have been introduced to increase the degree of fulfillment on a continuous basis.

The dynamic development of EU Taxonomy Regulations may lead to adjustments to economic activities and adaptations to the assessment criteria in the future.

MINIMUM SAFEGUARDS

All economic activities that contribute substantially to at least one of the six environmental objectives, do not adversely affect another objective, and fulfill the (social) minimum safeguard requirement are recognized as being environmentally sustainable. In accordance with Article 18 of the EU Taxonomy Regulation, the review of the minimum social protection of workers and compliance with human rights is also the final stage of taxonomy alignment. This serves to ensure that a given economic activity fulfills international human rights standards as well as rules and regulations regarding issues such as bribery, corruption, taxation, and fair competition. The standards specified in Article 18 identify four core topics in regards to which alignment with minimum safeguards is defined.

The following guidelines and standards must be complied with:

» OECD Guidelines for Multinational Enterprises
» UN Guiding Principles (UNGPs) on Business and Human Rights
» ILO Declaration on Fundamental Principles and Rights at Work ("ILO Core Conventions on Labor")
» International Bill of Human Rights

The Platform on Sustainable Finance (PSF) takes up the following central issues as they apply to social minimum safeguards:

» Human rights (incl. rights of workers)
» Avoidance of bribery and corruption
» Taxation
» Fair competition

voestalpine has already surveyed the aforementioned topics of the Platform on Sustainable Finance on a Group-wide basis in the past. This is also covered comprehensively in this sustainability statement (see, for example, sections S1, S2 on human rights, TAX-1 on taxation, and G1 on the topic of anti-corruption).

SIGNIFICANT CHANGES FROM THE PREVIOUS YEAR

Economic activity 3.9. Manufacture of iron and steel

The EU Commission published a new set of FAQs (C/2025/1373) on the EU taxonomy on March 5, 2025.

These FAQs are intended to clarify, among others, which products fall under 3.9. Manufacture of iron and steel and 3.18. Manufacture of automotive and mobility components.

In 3.9. Manufacture of iron and steel, FAQ 11 clarifies that only all process steps specified in Regulation 2019/331 count as the manufacture of iron and steel. These include:

» coke (coking plant)
» sintered iron ore
» hot pig iron (blast furnace)
» cast iron
» high-alloy steel produced using the electric arc process
» carbon steel produced using the electric arc process

Processing steps subsequent to these processes are explicitly excluded from 3.9. Manufacture of iron and steel. Therefore, forming processes such as rolling or forging are no longer part of this economic activity. The last product that falls under 3.9. Manufacture of iron and steel is therefore a slab or billet.

These products represent semi-finished products for voestalpine, most of which are processed internally and only a small proportion of which are sold externally. However, since it was made clear by the FAQs above that the further processing of the semi-finished products no longer included them under 3.9. Manufacture of iron and steel, the taxonomy-eligible and taxonomy-aligned transactions have fallen in the range 3.9. Manufacture of iron and steel. The products that were previously subsumed under 3.9. Manufacture of iron and steel, such as sheets or rods, are now classified as not taxonomy-eligible.

The KPIs for CapEx and OpEx have also been adapted in the FAQs (C/2025/1373). All investments that are necessary for the further processing of steel (e.g., rolling mills, forges) were also classified as not taxonomy-eligible. Since all investments/operating expenditures at the aforementioned sites continue to be included in the CapEx/OpEx KPI, and voestalpine is making significant investments in two EAFs with greentec steel, the key figures in this area have decreased less than the revenue KPI.

As a result of the clarifications made in these FAQs, the KPIs for 3.9 have also been adjusted for the comparative period to reflect the revised treatment of the economic activity.

Economic activity 3.18. Manufacture of automotive and mobility components

The FAQs (C/2025/1373) have also clarified which products fall under item 3.18. Manufacture of automotive and mobility components. FAQ 17 states that only "the essential parts necessary for the environmental performance of the zero-emission vehicle" are covered by this economic activity. These include, for example, "control units, transformers, electric motors, charging connections, and chargers." Since voestalpine focuses on the production of car body components, these are not included in economic activity 3.18. Manufacture of automotive and mobility components. All items included in this economic activity in the previous reporting period were therefore classified as not taxonomy-eligible, with the result that, in the current business year, voestalpine reports neither revenues nor CapEx/OpEx under 3.18. Manufacture of automotive and mobility components. The previous year's figures have been adjusted accordingly, and for this reason, the current reporting forms no longer include a description of economic activity 3.18.

RESULTS OF THE KPIS

The following summarizes the performance indicators of revenue, investment, and operating expenses from taxonomy-eligible or taxonomy-aligned economic activities of voestalpine for each environmental target for the 2024/25 business year.

REVENUE SHARE/TOTAL REVENUE

In each case for the business year as of the March 31, 2025 reporting date	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (climate change mitigation)	12.2%	14.6%
CCA (climate change adaptation)	0.0%	0.0%
WTR (water and marine resources)	0.0%	0.0%
CE (circular economy)	0.0%	0.0%
PPC (pollution prevention and control)	0.0%	0.0%
BIO (biodiversity)	0.0%	0.0%

CAPEX SHARE/TOTAL CAPEX

In each case for the business year as of the March 31, 2025 reporting date	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (climate change mitigation)	20.4%	38.7%
CCA (climate change adaptation)	0.0%	0.0%
WTR (water and marine resources)	0.0%	0.0%
CE (circular economy)	0.0%	0.0%
PPC (pollution prevention and control)	0.0%	0.0%
BIO (biodiversity)	0.0%	0.0%

OPEX SHARE/TOTAL OPEX

In each case for the business year as of the March 31, 2025 reporting date	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (climate change mitigation)	10.9%	33.6%
CCA (climate change adaptation)	0.0%	0.0%
WTR (water and marine resources)	0.0%	0.0%
CE (circular economy)	0.0%	0.0%
PPC (pollution prevention and control)	0.0%	0.0%
BIO (biodiversity)	0.0%	0.0%

Taxonomy-eligible/aligned revenue

Pursuant to the EU Taxonomy Regulation, revenue as per IAS 1.82(a) must be used to determine the taxonomy-eligible revenue. The revenue figures equate to the revenue shown in the Consolidated Income Statement of this Annual Report and thus are used as the denominator for the calculation in the following table. The numerator includes revenue generated by economic activities covered by the EU Taxonomy Regulation. The current review for alignment in the 2024/25 business year resulted in 12.2% taxonomy-aligned revenue, which is mainly attributable to revenue from the railway

In millions of euros

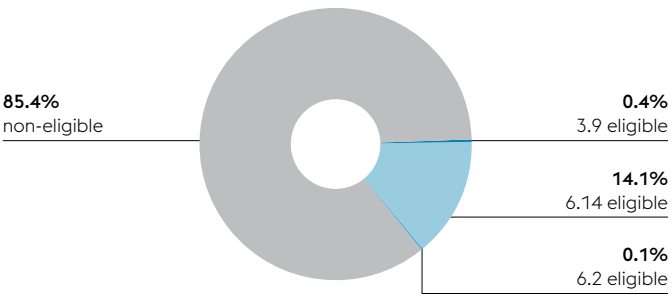
				Substantial Contribution Criteria				
Economic activities	**Code**	**Revenue**	**Proportion of revenue 2024/25**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	
A. Taxonomy-eligible activities								
A.1 Environmentally sustainable activities (taxonomy-aligned)								
Manufacture of iron and steel	CCM 3.9	9.4	0.1%	J	N	N/EL	N/EL	
Freight rail transport	CCM 6.2	20.1	0.1%	J	N	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14	1,881.7	12.0%	J	N	N/EL	N/EL	
Revenue of environmentally sustainable activities (taxonomy-aligned)		**1,911.2**	**12.2%**	**12.2%**	**0.0%**	**0.0%**	**0.0%**	
Of which enabling				12.0%	N	N/EL	N/EL	
Of which transitional				0.1%				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
Manufacture of iron and steel	CCM 3.9/CCA 3.9	54.6	0.3%	EL	EL	N/EL	N/EL	
Freight rail transport	CCM 6.2/CCA 6.2	1.4	0.0%	EL	EL	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14/CCA 6.14	324.8	2.1%	EL	EL	N/EL	N/EL	
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)		**380.8**	**2.4%**	**2.4%**	**EL**	**N/EL**	**N/EL**	
A. Revenue of taxonomy-eligible activities (A.1+A.2)		**2,292.0**	**14.6%**	**14.6%**	**EL**	**N/EL**	**N/EL**	
B. Taxonomy non-eligible activities								
Revenue of taxonomy non-eligible activities		**13,451.7**	**85.4%**					
Total		**15,743.7**	**100.0%**					

infrastructure segment. Compared to the previous reporting period, revenues from the further processing of steel were no longer identified as taxonomy-eligible/taxonomy-aligned due to a clarification by the EU Commission. The comparative figures have also been adapted accordingly (for more detailed background on the adaptations, see the section Significant changes from the previous year). The adjustment results in taxonomy-eligible and taxonomy-aligned revenue in 3.9. Manufacture of iron and steel of 0.4% compared to 48.2% published in the previous year. This leads to the following classification for the voestalpine Group:

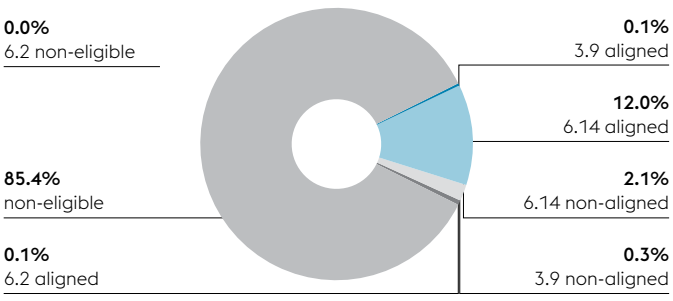
			DNSH criteria									
	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) revenue 2023/24[1]	Category enabling activity	Category transitional activity
	N/EL	N/EL	J	J	J	J	J	J	J	0.0%		T
	N/EL	N/EL	J	J	J	J	J	J	J	0.1%		
	N/EL	N/EL	J	J	J	J	J	J	J	10.4%	E	
	0.0%	**0.0%**	**J**	**J**	**J**	**J**	**J**	**J**	**J**	**10.5%**		
	N/EL	N/EL	J	J	J	J	J	J	J	10.4%	E	
			J	J	J	J	J	J	J	0.0%		T
	N/EL	N/EL								0.4%		
	N/EL	N/EL								0.0%		
	N/EL	N/EL								1.7%		
	N/EL	**N/EL**								**2.1%**		
	N/EL	**N/EL**								**12.6%**		

[1] Due to a clarification by the EU Commission, revenue from the further processing of steel was no longer classified under economic activity 3.9. Manufacture of iron and steel, but was classified as not taxonomy-eligible. The previous year's figures have been adjusted accordingly.

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



Taxonomy-eligible/aligned capital expenditure (CapEx)

Additions to assets—including additions from business combinations to property, plant and equipment; intangible assets; and right-of-use assets under leases—were utilized as the basis for determining the taxonomy-eligible CapEx. Investments via joint ventures, investments in financial instruments as well as additions to goodwill were not considered. Due to the clarification of FAQ 2023/305 item 31, which stipulates that capital expenditure should only be recognized when it is recognized in accordance with the relevant invoicing standards, the additions to advance payments made were excluded from the additions to the CapEx KPI. When the underlying property, plant and equipment/intangible assets are capitalized, the advance payments made on the respective asset are reclassified and also allocated to the additions to the CapEx KPI. This approach may result in a shift between the business years. The difference between the capital expenditure used here in the denominator and the data published in chapter D.2. Operating segments relates to goodwill additions and the above-mentioned change in advance payments made. The numerator includes those capital expenditures that relate to assets or processes that are associated with taxonomy-eligible or taxonomy-aligned economic activities and are part of the CapEx plan. In comparison to the previous reporting period, capital expenditure from the processing of steel was no longer reported as taxonomy-aligned due to a clarification by the EU Commission. The comparative figures have also been adapted accordingly (for more detailed background on the adaptations, see the item on significant changes from the

In millions of euros

				Substantial Contribution Criteria				
Economic activities	**Code**	**CapEx**	**Proportion of CapEx 2024/25**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	
A. Taxonomy-eligible activities								
A.1 Environmentally sustainable activities (taxonomy-aligned)								
Manufacture of iron and steel	CCM 3.9	145.4	12.5%	J	N	N/EL	N/EL	
Freight rail transport	CCM 6.2	3.7	0.3%	J	N	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14	88.3	7.6%	J	N	N/EL	N/EL	
CapEx of environmentally sustainable activities (taxonomy-aligned)		**237.4**	**20.4%**	**20.4%**	**0.0%**	**0.0%**	**0.0%**	
Of which enabling				7.6%	N	N/EL	N/EL	
Of which transitional				12.5%				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
Manufacture of iron and steel	CCM 3.9/CCA 3.9	190.3	16.3%	EL	EL	N/EL	N/EL	
Freight rail transport	CCM 6.2/CCA 6.2	0.3	0.0%	EL	EL	N/EL	N/EL	
Infrastructure for rail transport	CCM 6.14/CCA 6.14	22.7	2.0%	EL	EL	N/EL	N/EL	
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)		**213.3**	**18.3%**	**18.3%**	**EL**	**N/EL**	**N/EL**	
A. CapEx of taxonomy-eligible activities (A.1+A.2)		**450.7**	**38.7%**	**38.7%**	**EL**	**N/EL**	**N/EL**	
B. Taxonomy non-eligible activities								
CapEx of taxonomy non-eligible activities		**715.2**	**61.3%**					
Total		**1,165.9**	**100.0%**					

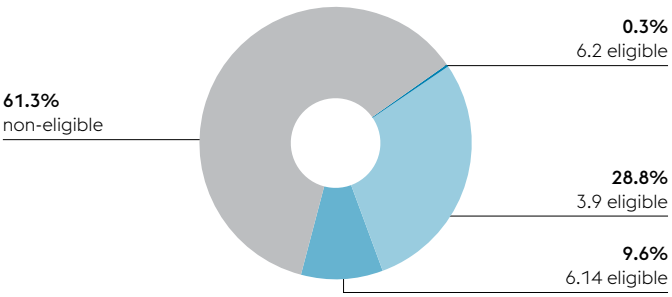
The taxonomy-aligned CapEx of EUR 237.4 million is made up of additions to property, plant and equipment, and intangible assets of EUR 243.0 million and the change in advance payments of EUR –5.6 million. There are no additions to property, plant and equipment, and intangible assets from business combinations. The total CapEx of EUR 1,165.9 million is made up of additions to property, plant and equipment and intangible assets of EUR 1,187.0 million, additions to property, plant and equipment and intangible assets from business combinations of EUR 47.8 million and the change in advance payments of EUR –68.9 million.

previous year). The adaptation results in taxonomy-eligible and taxonomy-aligned CapEx in the area 3.9. Manufacture of iron and steel of 28.8% compared to 61.9% published in the previous year.
In investment expenditure, the taxonomy-aligned share is 20.4% (EUR 237.4 million). With greentec steel, voestalpine has developed an ambitious phased plan for green steel production. As part of the first stage of the phased plan, one green electricity-powered electric arc furnace (EAF) will be built in Linz and one in Donawitz. This will make it possible to produce around 2.5 million tons of CO_2-reduced steel each year from 2027 following the ramp-up. The greentec steel flagship project is also included in the CapEx plan. The individual processes within the scope of future EAF production are to be regarded as independent production units, which will be integrated into the existing plant configurations at the Linz and Donawitz sites. Taxonomy alignment within the context of economic activity 3.9. Manufacture of iron and steel can be determined for electric arc furnaces as an independent production unit with the corresponding technical evaluation criteria under the environmental objective of climate change mitigation. The CapEx plan has a total volume of EUR 1.5 billion and is expected to be completed in the 2027/28 business year. In the current business year, EUR 134.4 million (2023/24: EUR 64.3 million) were classified as taxonomy-aligned under economic activity 3.9. Manufacture of iron and steel. This leads to the following classification for the voestalpine Group:

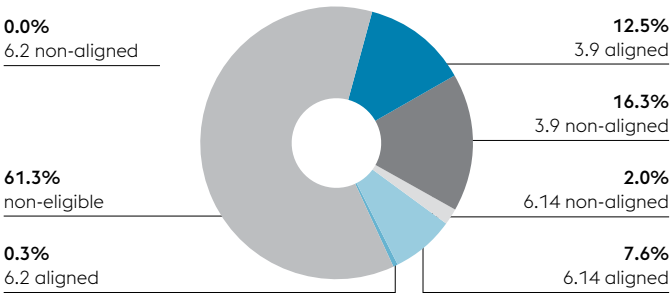
			DNSH criteria									
	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) CapEx 2023/24[1]	Category enabling activity	Category transitional activity
	N/EL	N/EL	J	J	J	J	J	J	J	10.1%		T
	N/EL	N/EL	J	J	J	J	J	J	J	0.3%		
	N/EL	N/EL	J	J	J	J	J	J	J	7.5%	E	
	0.0%	**0.0%**	**J**	**J**	**J**	**J**	**J**	**J**	**J**	**17.9%**		
	N/EL	N/EL	J	J	J	J	J	J	J	7.5%	E	
			J	J	J	J	J	J	J	10.1%		T
	N/EL	N/EL								17.3%		
	N/EL	N/EL								0.0%		
	N/EL	N/EL								1.1%		
	N/EL	**N/EL**								**18.4%**		
	N/EL	**N/EL**								**36.3%**		

[1] Due to a clarification by the EU Commission, CapEx from the further processing of steel was no longer classified under economic activity 3.9. Manufacture of iron and steel, but was classified as not taxonomy-eligible. The previous year's figures have been adjusted accordingly.

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



Taxonomy-eligible/aligned operating expenditures (OpEx)

Unlike the revenue and the capital expenditure, the figure for the operating expenditure cannot be taken directly from the annex notes of this Annual Report. This is because only a few expense categories are relevant to the determination of the denominator for the operating expenditure. These include building renovation measures, maintenance and repair of property, plant and equipment, research and development expenses, training expenses for employees, and current leasing expenses. The numerator includes operating expenditures that relate to assets or processes that are associated with taxonomy-eligible or taxonomy-aligned economic activities. In comparison to the previous reporting

In millions of euros

Economic activities	Code	OpEx	Proportion of OpEx 2024/25	Substantial Contribution Criteria: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution
A. Taxonomy-eligible activities							
A.1 Environmentally sustainable activities (taxonomy-aligned)							
Manufacture of iron and steel	CCM 3.9	31.6	3.0%	J	N	N/EL	N/EL
Freight rail transport	CCM 6.2	2.3	0.2%	J	N	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14	80.3	7.7%	J	N	N/EL	N/EL
OpEx of environmentally sustainable activities (taxonomy-aligned)		**114.2**	**10.9%**	**10.9%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling				7.7%	N	N/EL	N/EL
Of which transitional				3.0%			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)							
Manufacture of iron and steel	CCM 3.9/CCA 3.9	229.3	21.9%	EL	EL	N/EL	N/EL
Freight rail transport	CCM 6.2/CCA 6.2	0.1	0.0%	EL	EL	N/EL	N/EL
Infrastructure for rail transport	CCM 6.14/CCA 6.14	8.2	0.8%	EL	EL	N/EL	N/EL
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)		**237.6**	**22.7%**	**22.7%**	**EL**	**N/EL**	**N/EL**
A. OpEx of taxonomy-eligible activities (A.1+A.2)		**351.8**	**33.6%**	**33.6%**	**EL**	**N/EL**	**N/EL**
B. Taxonomy non-eligible activities							
OpEx of taxonomy non-eligible activities		**694.5**	**66.4%**				
Total		**1,046.3**	**100.0%**				

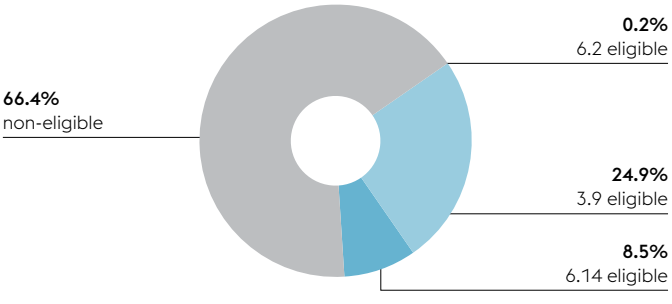
The taxonomy-aligned OpEx of EUR 114.2 million is made up of expenses for research and development of EUR 24.3 million, building renovation measures of EUR 14.1 million, current leasing of EUR 2.2 million, maintenance and repair of property, plant and equipment of EUR 68.3 million, and staff training of EUR 5.3 million. The total OpEx of EUR 1,046.3 million is made up of expenses for research and development amounting to EUR 218.9 million, building renovation measures amounting to EUR 39.7 million, current leasing amounting to EUR 8.7 million, maintenance and repair of property, plant and equipment amounting to EUR 741.6 million, and staff training amounting to EUR 37.4 million.

period, operating expenses from the processing of steel were no longer reported as taxonomy-eligible/ taxonomy-aligned due to a clarification by the EU Commission. The comparative figures have also been adapted accordingly (for more detailed background on the adaptations, see the item on significant changes from the previous year). The adjustment results in taxonomy-eligible and taxonomy-aligned OpEx in 3.9. Manufacture of iron and steel of 33.6% compared to 67.3% published in the previous year. Operating expenses from taxonomy-aligned economic activities amount to EUR 114.2 million. This corresponds to 10.9% of operating expenses pursuant to the EU Taxonomy. This leads to the following classification for the voestalpine Group:

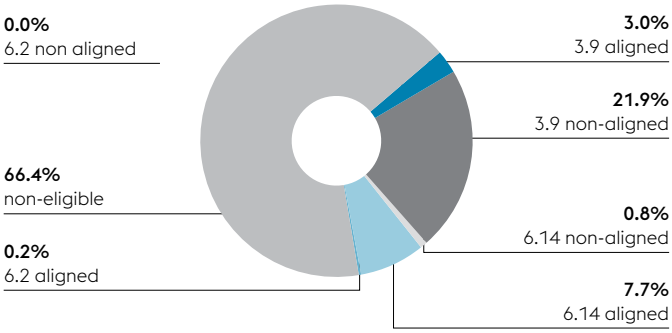
			DNSH criteria									
	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of taxonomy-aligned (A.1) or -eligible (A.2) OpEx 2023/24[1]	Category enabling activity	Category transitional activity
	N/EL	N/EL	J	J	J	J	J	J	J	4.1%		T
	N/EL	N/EL	J	J	J	J	J	J	J	0.1%		
	N/EL	N/EL	J	J	J	J	J	J	J	6.5%	E	
	0.0%	**0.0%**	**J**	**J**	**J**	**J**	**J**	**J**	**J**	**10.7%**		
	N/EL	N/EL	J	J	J	J	J	J	J	6.5%	E	
			J	J	J	J	J	J	J	4.1%		T
	N/EL	N/EL								21.1%		
	N/EL	N/EL								0.0%		
	N/EL	N/EL								0.8%		
	N/EL	**N/EL**								**21.9%**		
	N/EL	**N/EL**								**32.6%**		

[1] Due to a clarification by the EU Commission, OpEx from the further processing of steel was no longer classified under economic activity 3.9. Manufacture of iron and steel, but was classified as not taxonomy-eligible. The previous year's figures have been adjusted accordingly.

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



Row	Nuclear energy related activities	
1.	The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ESRS E1 CLIMATE CHANGE

Climate change is one of the greatest challenges of our time and requires companies to take decisive action. voestalpine is one of Austria's largest emitters of greenhouse gas and consequently needs to drastically curb its emissions. In order to reduce its carbon footprint, voestalpine is focusing on transforming production processes by relying on technological innovations, strategic investments, and close cooperation with customers and suppliers.

As part of the Science Based Targets initiative (SBTi), voestalpine is committed to substantially reducing its overall GHG emissions, with the aim of cutting its total Scope-1- and Scope-2-emissions by 30% and Scope-3-emissions by 25% by 2029 compared to the reference year 2019. Efforts are also simultaneously being made to increase the Group's reliance on hydrogen and renewable energies in the pursuit of net-zero emissions by 2050.

With regard to Scope-1- and Scope-2-emissions, a key component of the Climate Transition Plan is the greentec steel climate protection program, which envisages the switch from coal-based blast furnaces to electric arc furnaces (EAF).

In addition to the technological transformation, supplier engagement is also playing an increasingly crucial role. Sustainable sourcing of raw materials and transparent supply chains are key drivers when it comes to bringing down total Scope-3-emissions. This presents both challenges and economic opportunities, particularly in light of the growing demand for low-emission steel products. At the same time, structural change continues to go hand in hand with high investment costs and market risks.

Climate change mitigation, climate change adaptation, and a sustainable energy supply are key challenges of our time. voestalpine takes an active approach toward these issues. Technological innovations, energy efficiency measures, and the gradual transition to renewable energy sources play a decisive role in this regard. Detailed information on the identified impacts, risks, and opportunities (IROs) in relation to climate change mitigation, climate change adaptation, and energy can be found in the following IRO table, which contains specific information on SBM-3.

Topic/sub-topic/ sub-sub-topic	Impact, risk, opportunity (IRO)	Description	
Climate change mitigation	● Scope 1 GHG emissions	As a consequence of its processes, voestalpine is one of Austria's largest carbon emitters. Scope-1-emissions are primarily generated through the production of steel products at the Group's largest sites in Linz and Donawitz	
	● Scope 2 GHG emissions	Scope-2-emissions result from purchased energy. These emissions are comparatively low compared with Scope-1-emissions	
	● Scope 3 GHG emissions	Scope-3-emissions result from indirect emissions from both the upstream and downstream value chain. More than 80% of Scope-3-emissions can be attributed to the raw materials procured by voestalpine	
	○ Transformation of facilities and technologies	voestalpine is committed to reducing its GHG emissions by 30% by 2029, and plans to achieve net-zero emissions by 2050. In light of the (planned) transformation of production processes, investments are being made in environmentally-friendly facilities and technologies	
	○ New job infrastructure in the vicinity of voestalpine production facilities	The (planned) transformation of the production processes is expected to create new companies and new/additional jobs in the vicinity of the voestalpine production facilities	
	! Transition risk: risks arising from the technical transition of production processes to zero-emission technologies	High investment costs for voestalpine in the transition to new technologies—the shift towards zero-emission steel production requires huge financial resources These investments are being made against the backdrop of an uncertain legal framework, which may lead to additional cost increases In addition, introducing new production processes entails various operational risks for voestalpine, including initially inefficient processes that can only be optimized over time, or operational failures—only in relation to transformation/greentec steel	
	! Transition risk: higher expenditure for carbon credits as part of the ETS for voestalpine	Price increases in European emissions trading to which voestalpine is already subject Legislation envisioning the continuous reduction of free carbon allowances is already in place	
	! Transition risk: decline in sales volumes and margins due to structural change in European industry and competitive disadvantages due to unilateral European legislation	Migration of consumer industries reduces demand for steel products, while constant production capacity increases price competition. At the same time, lower carbon prices and less regulation for non-EU competitors create competitive disadvantages for EU companies that are not offset by mechanisms such as CBAM	

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Adaptation of key production facilities and technologies, as well as the value chain and processes Extensive adaptation of the business model	>>> Group-wide	●●●●	Environment and society Local, national, and international authorities
	Adaptation of processes and the value chain Establishment of partnerships with energy suppliers	>>> Group-wide	●●●●	Environment and society Local, national, and international authorities Suppliers
	Establishment of sustainable supply chains Strategic selection of partners	>>> Global	●●●●	Environment and society Local, national, and international authorities Suppliers
	Transformation of production processes Investing in environmentally-friendly key technologies	>>> Focus: Linz and Donawitz	●●●●	Environment Local, national, and international authorities
	Strategic selection of partners	>>> Focus: Linz and Donawitz	●●●●	Local communities Suppliers
	Adaptation of key production facilities as well as technologies and processes Adaptation of the business model to low-emission products	>>> Focus: Linz and Donawitz	○●●●	Legislators Investors Customers
	Adaptation of key production facilities as well as technologies and processes	>>> Global	○●●●	Environment Legislators
	Tapping into new customer segments Establishment of long-standing customer relationships and competitive advantage	>>> Europe	●●●●	Competitors Customers Legislators Investors

Key

- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- >>> Upstream
- >>> Own operations
- >>> Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	
Climate change mitigation	+	Transition opportunity: Increasing the sales volumes of sustainable/ low-emission steel products for voestalpine (especially in sectors relevant to the energy transition) leads to a sustainable stabilization of turnover and operating results (EBIT)	Growing demand and corresponding price premium for low-emission steel. This can also lead to a stronger market position in specialized segments such as rail infrastructure systems, special steels, and high-performance materials	
	!	Transition risk: supply bottlenecks and higher costs for important materials and raw materials	Supply bottlenecks affecting raw materials such as steel scrap and metals, which are in particular demand due to the transformation	
Climate change adaptation	!	Chronic physical climate risks	Chronic physical risks can damage voestalpine's business in a number of ways, including exposure to significant changes in river water levels due to climate change, which have the potential to affect shipping (e.g., on the Danube) and cause disruption in the supply chain	
	!	Acute physical climate risks	Acute physical risks can impact voestalpine's business in a number of ways. Major acute physical risks include heavy rain, floods, and landslides	
Energy	●	Direct energy consumption	voestalpine's value creation processes are highly energy intensive. This not only results in emissions from the consumption of energy and electricity, but also increases the complexity of the energy transition towards renewable energies at voestalpine sites and requires capacities on the electricity grids needed for the energy transition	
	!	Transition risk: bottlenecks in the energy supply at major production sites (in particular Linz and Donawitz) and higher costs for energy procurement (renewable and non-renewable sources) due to the energy transition in Europe	Risk of rising energy costs due to price increases etc., as well as the volatile energy market situation, along with the risk of supply bottlenecks, especially for renewable energies (electricity) in the wake of the energy transition	

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Development of new business models and changes to the product portfolio	>>> Europe	●●●●	Competitors Investors Customers
	Establishment of resilient supply chains and long-standing supplier relationships	>>> Europe	○●●●	Suppliers
	Increased risk diversification Site and process adaptation Establishment of resilient supply chains	>>> Global	○○●●	Customers Suppliers
	Increased risk management Establishment of resilient supply chains	>>> Global	○○●●	Suppliers Customers
	Adaptation of key production facilities and technologies, as well as the value chain and processes	>>> Group-wide	●●●●	Environment Local, national, and international authorities Suppliers
	Investments in own energy generation Long-term energy contracts and partnerships Adaptation of the value chain	>>> Focus: Linz and Donawitz	●●●●	Suppliers

Key

- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- >>> Upstream
- >>> Own operations
- >>> Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

STRATEGY

E1-1 – Transition plan for climate change mitigation

voestalpine aims to extensively reduce its greenhouse gas (GHG) emissions across its entire value chain and is committed to lowering its emissions in line with the scientifically validated 2 degree climate target as part of the Science Based Targets Initiative (SBTi). By calendar year 2029, Scope-1- and Scope-2-emissions are to be reduced by 30% and Scope-3-emissions by 25%. The targets set have been tested and validated by the SBTi and align with efforts to limit global warming set forth in the Paris Agreement.

As part of ESRS-compliant reporting, the basis for the calculation of the GHG footprint has been changed from the calendar year to the business year. Accordingly, the emission reduction targets stated in the Climate Transition Plan are presented on a business year basis. However, the targets up to 2029 validated by the Science Based Targets initiative (SBTi) continue to be calculated on the basis of the calendar year.

The Climate Transition Plan does not yet envisage targets below the 1.5°C target to limit global warming. The first stage of the plan and the necessary financial resources, namely a EUR 1.5 billion investment budget, have been given the go ahead for execution by the Management Board and Supervisory Board.

voestalpine also pursues the medium-term target of reducing its Scope-1- and Scope-2-emissions by 50% by business year 2035/36 and achieving net-zero emissions in the long term by the business year 2049/50 at the latest. Neither of these targets have been validated by the SBTi.

Implementation of this Climate Transition Plan is based on various decarbonization levers that cover the entire value chain. These include industrial electrification, with coal-fired blast furnaces replaced by electric arc furnaces (EAF) as the primary measure, the use of renewable energies to reduce CO_2 emissions, and improving energy efficiency in production processes and infrastructure. The supply chain is also actively involved in the decarbonization process through measures such as increasingly relying on CO_2-reduced input materials and optimizing the use of raw materials.

The financial resources required to implement phase 1 of the transformation have been taken into account in the medium-term business plan. Over the coming years, voestalpine plans to make targeted investments in low-emission technologies and energy-efficient installations. All required investments are quantified on a regular basis in order to ensure the transformation is economically sustainable. Detailed information on CapEx plans and key performance indicators can be found under E1-3 Actions and resources in relation to climate change policies and in the chapter on Taxonomy Regulation Disclosures.

Emissions data is collected annually, verified externally, and compared against the defined targets as part of this assessment. Technological advancements, legislative changes, and market conditions are accounted for in the assessment in order to adapt and further develop the transition plan if necessary.

The sustainability strategy constitutes an integral part of the Group's strategy, uniting economic, social, and environmental aspects and targets. In order to achieve the objectives set forth in its strategy, voestalpine is relying on central decarbonization levers that facilitate the transition to lower-emission steel production.

Decarbonization levers

The decarbonization levers are divided into three phases to achieve net-zero by 2049/50. The first phase runs until 2029/30 and contains clearly defined levers such as energy efficiency, industrial electrification, and the use of renewable energies to reduce Scope-1- and -2-emissions, along with supplier engagement and the use of decarbonized input materials to bring down Scope-3-emissions. Phase 2 and phase 3 will be specified in more detail over time, but their primary aims are to extensively transform processes and to fully decarbonize and offset remaining emissions. The graphic below outlines the key decarbonization levers. Please consult chapter E1-3 Actions and resources in relation to climate change policies for more detailed information on the individual actions assigned to the decarbonization levers.

Phase 1—Decarbonization levers:

SCOPE 1 & 2

Industrial electrification

High CO_2 reduction up to business year 2029/30

- Use of electric arc furnaces (EAF) in Linz and Donawitz to replace two blast furnaces
- Optimization of the raw material mix

Use of renewable energy

Average CO_2 reduction up to business year 2029/30

- Increasing the share of renewable energy in the electricity mix by sourcing more electricity from renewable sources
- Use of biomethane as a substitute for fossil fuels in production processes
- Installation of photovoltaic systems for self-generated electricity

Increased energy efficiency

Low CO_2 reduction up to business year 2029/30

- Streamlining existing production processes to reduce energy use
- Improving energy efficiency in buildings and manufacturing facilities through modernized technologies
- Utilization of excess energy through optimized burner systems and energy extraction

SCOPE 3

Supplier engagement

High CO_2 reduction up to business year 2029/30

- Use of verified product carbon footprints (PCFs) for essential raw materials

Decarbonized input material

High CO_2 reduction up to business year 2029/30

- Use of carbon-reduced raw material

Transformation of raw materials

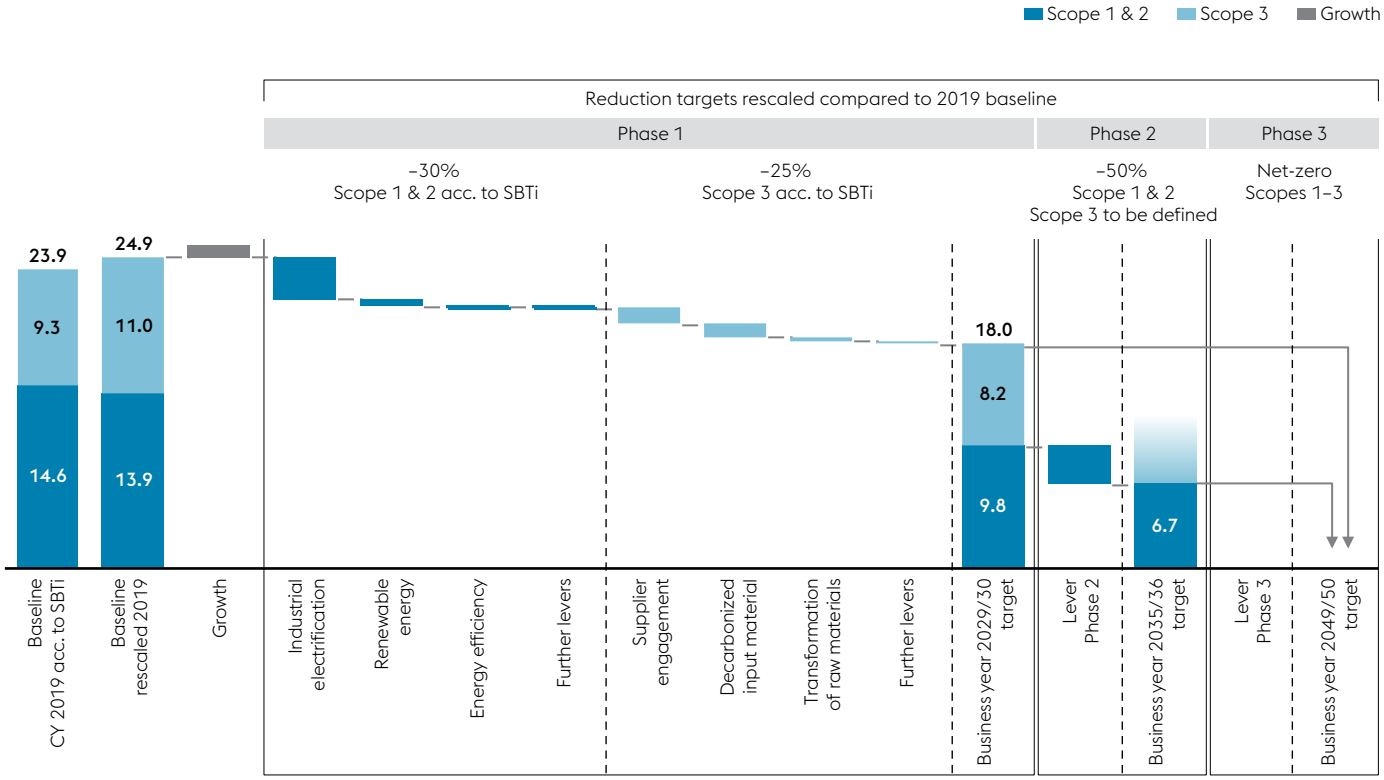
Low CO_2 reduction up to business year 2029/30

- Increasing the proportion of secondary raw materials (e.g., alloys) to reduce the carbon footprint

Phase 2—Scope 1 & 2 decarbonization levers:
Phase 2 of the decarbonization levers involves making further progress on industrial electrification and scaling carbon capture and storage (CCUS). These levers aim to further reduce process-related emissions and facilitate the gradual switch to renewable energy sources. voestalpine makes continuous progress on advancing these technologies—including working on specific fields of application, building technical pilot plants, and incorporating the latest scientific findings from its own research activities along with findings arising from national and international R&D partnerships.

Phase 3—Scope 1 & 2 decarbonization levers:
Phase 3 marks the final step towards net-zero and is geared towards the full decarbonization of all emission sources. During this phase, the focus is on an approach that is open to all technology and creates opportunities for various solutions. Future developments and innovations will play a central role in sustainable emissions reduction or offsetting, thereby facilitating the lasting transition to a climate-neutral industry.

CLIMATE TRANSITION PLAN



Investments and funding supporting climate change mitigation and climate change adaptation
In order to utilize the decarbonization levers as part of its decarbonization sustainability strategy and the EU Taxonomy, voestalpine launched a five-year CapEx plan in the business year 2023/24. Around EUR 1.5 billion has been earmarked for investment in the climate protection program greentec steel, which forms a key component of the company's Climate Transition Plan.

The plan focuses on clearly defined decarbonization levers, which make a significant contribution to the transformation towards more climate-friendly production. As things currently stand, all related steps are progressing as scheduled without any delays. The investments are closely linked to the requirements of disclosure requirement E1-3 Actions and resources in relation to climate change policies and support both the achievement of the long-term climate targets and safeguarding voestalpine's competitive standing in the global market.

The company has provided significant investments and funding to successfully realize its transition plan for decarbonization. voestalpine has also received funding commitments in the region of EUR 90 million to finance investments in both electric arc furnaces and further research activities. These funds come from the Transformation of Industry program funded by the Austrian Federal Government and support the implementation of central decarbonization levers.

CapEx from taxonomy-aligned activities is used as a key performance indicator to measure the progress of the actions as part of the decarbonization levers. In the current business year, a total of EUR 237.4 million of CapEx was reported as taxonomy-aligned (see also the chapter on EU Taxonomy), where EUR 145.4 million is attributed to the economic activity 3.9 Manufacture of iron and steel, of which, in turn, EUR 134.4 million represents greentec steel investments. No significant CapEx amounts were invested during the reporting period in relation to coal, oil, and gas-related economic activities.

voestalpine's GHG emissions can primarily be attributed to the continued operation of existing installations, including blast furnace-based steel production. The analysis of the related GHG emissions was evaluated in the course of calculating the GHG footprint. These installations are integrated into existing production processes and represent important assets. Moving away from this technology is therefore technically and economically challenging, but will nevertheless be taken into account in the long-term voestalpine Climate Transition Plan. As phase 1 of the greentec steel project, voestalpine plans to replace two blast furnaces with electric arc furnaces (EAFs) by 2029/30 to reduce GHG emissions. In Phase 2, voestalpine plans to replace additional blast furnace-based production capacities and associated GHG emissions.

The associated transition risks were analyzed by voestalpine; please refer to ESRS 2 IRO-1 for more information. After the above action has been taken, any remaining GHG emissions have been accounted for in the Climate Transition Plan and do not jeopardize the achievement of the set emission reduction targets.

In addition to the analysis of aspects pertaining to GHG emissions in relation to assets and products, compliance with regulatory criteria related to climate-related benchmarks must also be assessed, with voestalpine falling under the Paris-aligned European Union benchmarks. This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 and Commission Delegated Regulation (EU) 2020/1818 on climate-related benchmarks.

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E1-2 – Policies related to climate change mitigation and adaptation

As part of its sustainability strategy, voestalpine is committed to reducing GHG emissions as one of its key focus areas. Material impacts, risks, and opportunities form the primary focus in order to account for both climate change mitigation and efficient, sustainable energy use. Key concepts include:

» a Climate Transition Plan for decarbonization
» the use of environmental and energy management systems at relevant locations

The Climate Transition Plan and the Environmental and Energy Management Plan are closely linked to voestalpine's sustainability strategy and support the company's long-term competitive standing.

POLICY OVERVIEW

IROs addressed	Policy	Core content
Scope-1-to-3-emissions Transformation of facilities and technologies in the vicinity of voestalpine production sites New job infrastructure in the vicinity of voestalpine production sites Transition risk: higher expenditure for carbon credits as part of the ETS for voestalpine Transition opportunity: increase in sales volumes for sustainable/low-emission steel products Transition risk: risks arising from the technical transition of production processes to zero-emission technologies	Climate Transition Plan (phased decarboni-zation plan)	Phased GHG reduction plan Includes the voestalpine greentec steel climate protection program for green steel production Concept for the implementation of the short-, medium-, and long-term GHG reduction targets with the achievement of the final target of net-zero by 2050
Direct energy consumption	Environmental and energy management systems at relevant sites	Implementation of environmental and energy management systems certified according to ISO 14001, ISO 50001, EMAS, or equivalent at sites with high energy requirements/consumption to increase energy efficiency (if not yet available)

The implementation of the greentec steel program within the framework of the Climate Transition Plan facilitates the sustainable development of the core business by gradually introducing low-emission technologies and optimizing existing processes. This ensures that steel production meets both the regulatory requirements and the increasing market requirements for climate-friendly products.

The environmental and energy management approach helps to realize operational efficiency gains and bring down energy costs, thereby promoting the economic stability of the company. The introduction of ISO 14001, ISO 50001, EMAS-certified systems ensures energy use is systematically optimized, thereby improving both resource use and long-term profitability.

The Climate Transition Plan also supports the increased integration of renewable energies and consequently the reduction of GHG emissions.

	Scope of the policy	**Responsibility and monitoring**	**Other comments**
	Own operations	Management Board and Supervisory Board of voestalpine AG	Commitment according to SBTi Communicated in the Annual Report
	Partially upstream and downstream value chain		Communicated in the Annual Report
	Own operations Partially upstream and downstream value chain	Management boards of the divisions	Communicated in the Annual Report

E1-3 – Actions and resources in relation to climate change policies

As part of the Climate Transition Plan, voestalpine has developed a comprehensive package of actions to reduce Scope 1, 2 and 3 GHG emissions and to lower energy requirements. These actions revolve around the ambitious transformation program greentec steel, which is considered the central and currently most important measure for the decarbonization of the company.

Phase 1—Scope 1 & 2 decarbonization levers:

One important lever for Scope 1 and 2 emissions is industrial electrification, on which significant progress is being made thanks to greentec steel. As part of the first stage of the phased plan, one green electricity-powered electric arc furnace (EAF) will be built in Linz and one in Donawitz. This involves a shift away from carbon-based processes towards an electrified, low-emission production method, accompanied by a fundamental transition in the use of raw materials in crude steel production. A mix of materials is used, comprising scrap, liquid pig iron, and hot briquetted iron (HBI), with the mix adjusted according to the specific quality requirements. voestalpine sources the necessary HBI primarily from the direct reduction plant in Texas, USA: since 2022, a global steel manufacturer has held a majority stake in the plant; 20% is owned by voestalpine with corresponding supply agreements guaranteed over the long-term. A phased transition of certain production processes from fossil fuels to electric energy sources is also planned, in particular to further reduce dependence on natural gas.

These measures are currently being implemented and the aim is to generate around 2.5 million tons of CO_2-reduced steel annually from the business year 2027/28 onwards. The greentec steel program therefore represents a key building block in the CapEx plan with significant capital expenditure of EUR 1.5 billion, of which EUR 134.4 million has been reported as taxonomy-aligned in the business year 2024/25 (see also disclosures under E1-1 Transition plan for climate change mitigation). The financial resources for the implementation of the measures under the greentec steel program from phase 1 have already been approved.

Of the EUR 1.5 billion, EUR 498.9 million had already been invested by the end of the business year 2024/25 (of which EUR 244.5 million was invested in the business year 2024/25). Further information on investments to the amount of EUR 244.5 million for implementation of the measures made in the business year can be found in the Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) (see chapter D.9 Property, plant, and equipment, and chapter D.10 Intangible assets in the Consolidated Financial Statements (IFRS)).

Targeted measures to increase the use of low-emission energy sources have been identified under the renewable energies lever. These include, in particular, the purchase of green electricity and the use of biomethane. This lever for reducing GHG emissions supports the achievement of voestalpine's climate targets up to the business year 2029/30 initially.

Increasing energy efficiency includes targeted measures such as optimizing production processes and improving the energy performance of manufacturing facilities and buildings with state-of-the-art technology. Another key aspect is the optimization of combustion systems and the efficient use of excess energy by decoupling energy for use in other applications, such as supplying heat to adjacent operating units or supplying external grids. This lever likewise supports the achievement of voestalpine's climate targets up to the business year 2029/30 initially.

Scope 1 & 2: decarbonization levers phase 2 and 3
An important lever in phase 2 is the advancement of industrial electrification by continuing with progress on the transformation of steel production processes, for example by expanding production capacities through the electric steel route. Actions for this lever are being developed and put into practice. The use of carbon capture and storage technologies (CCUS) is designed to further reduce process-related emissions. The aim is to accelerate the decarbonization and gradual conversion of remaining energy to renewable energy sources by the business year 2035/36. voestalpine is working on further developing these technologies and applications on an industrial scale, building technical pilot plants, and implementing the latest findings from research and development.

Phase 3 marks the final step towards net-zero emissions by the business year 2049/50. As part of this long-term view, voestalpine is pursuing an approach that is open to different technology types and considers various solutions and technology options while simultaneously creating opportunities for the implementation of future advancements in technology and science to achieve net-zero emissions. Maximum flexibility and economic feasibility play a key role in this regard.

The focus is on replacing the remaining fossil pig iron capacity using fossil-free energy sources such as hydrogen, renewable energy, and the extensive application of CCUS technologies.

Scope 3: decarbonization levers

voestalpine is focusing on taking targeted action within its value chain to bring down indirect Scope 3 GHG emissions by the business year 2029/30. A key decarbonization lever in this regard is supplier engagement, which includes the use of verified Product Carbon Footprints (PCFs) for essential raw materials and close cooperation with suppliers for emission reduction. The sustainable transformation is also supported by the gradual substitution of primary and secondary raw materials (e.g., scrap and replacing primary alloys with reprocessed alloys), especially with regard to the interdependencies of future production with electric arc furnaces (EAFs).

One key measure to reduce Scope 3 GHG emissions is the planned use of decarbonized input materials. This approach makes a significant contribution to the achievement of voestalpine's climate targets by the business year 2029/30, as increased reliance on low-emission precursors has the power to reduce the company's carbon footprint along the upstream and downstream value chain.

The focus is on an approach that is open to all technology types and creates opportunities for various solutions. Future developments and innovations will play a central role in sustainable emissions reduction or offsetting, thereby facilitating the lasting transition to a climate-neutral industry.

Further action:

Actions to counter physical climate risks
In addition to the actions set forth in the Climate Transition Plan, actions to counter physical climate risks are also currently being implemented. One example is the construction of flood protection at Unterer Tollinggraben, near the Donawitz site. Activities are also being undertaken to counteract the impacts of long-term fluctuations in river levels, such as diversifying supply routes and making adjustments to logistics in the case of low water levels.

Direct energy consumption actions
In the divisions and at the sites, measures to reduce direct energy requirements are being implemented on an ongoing basis with the aim of improving existing processes and facilities. Corresponding action is being financed and implemented within the framework of the investment programs and continuous improvement processes.

Further activities to address competitive disadvantages resulting from the transition and structural change in European industry
voestalpine pursues targeted action to mitigate the risks arising from competitive disadvantages and structural change in European industry. These actions focus on the development of innovative products as well as acquiring new customers and tapping into new industries and geographic markets to stand out from the competition. voestalpine primarily addresses high-quality market segments and targets new customers by increasingly standing out in terms of product quality, flexibility, and service. voestalpine's growing internationalization in high-yield processing fields based on the local for local principle likewise helps to safeguard the company's competitive standing.

OVERVIEW OF ACTIONS

IROs addressed	Action	Core content and expected results
Scope-1-to-3-emissions Transformation of facilities and technologies in the vicinity of voestalpine production sites New job infrastructure in the vicinity of voestalpine production sites Transition risk: higher expenditure for carbon credits as part of the ETS for voestalpine Transition opportunity: increase in sales volumes for sustainable/ low-emission steel products Transition risk: risks arising from the technical transition of production processes to zero-emission technologies	Phased implementation for the transformation (Planned) measures for the Climate Transition Plan (incl. greentec steel)	**Actions for Scope 1 & 2 emissions:** » Industrial electrification: Use of EAFs at the sites in Linz and Donawitz (greentec steel stage 1); adaptation of the raw material structure by integrating the EAFs into existing plant configuration; transition from fossil energy (natural gas) to electricity in selected production and manufacturing processes Expected results: Reduction of direct and indirect GHG emissions by 3.4 million tons by the BY 2029/30 (Scope 1 & 2) » Renewable energy: purchase of electricity from renewable sources; transition to renewable energy sources in production and manufacturing processes, e.g., use of biomethane; self-generation using PV installations Expected results: Reduction of direct and indirect GHG by 0.6 million tons by the BY 2029/30 (Scope 1 & 2) » Energy efficiency: increasing the energy efficiency of existing production and manufacturing processes; optimizing combustion systems; energy decoupling Expected results: Reduction of direct and indirect GHG emissions by 0.1 million tons by the BY 2029/30 (Scope 1 & 2) **Actions for Scope 3:** » Supplier Engagement: use of supplier-specific data (verified PCFs) for all essential raw materials Expected results: Reduction of indirect GHG emissions by 1.3 million tons by the BY 2029/30 (Scope 3) » Transformation of raw materials: transition of the raw material structure by integrating electric arc furnaces into the existing plant configuration at the Linz and Donawitz sites; substituting primary raw materials with secondary raw materials (e.g., alloys) Expected results: Reduction of indirect GHG emissions by 0.3 million tons by the BY 2029/30 (Scope 3) » Use of decarbonized input materials Expected results: Reduction of indirect carbon emissions by 1.1 million tons by the BY 2029/30 (Scope 3) » Further actions for Scope 1 & 2 & 3 emissions Expected results: Reduction of direct and indirect GHG emissions by 0.1 million tons by the BY 2029/30 (Scope 1 & 2 & 3) Expected overall results: Reduction of direct and indirect GHG emissions and mitigation of the transition risks and exploitation of opportunities presented
Transition risk: supply bottlenecks or higher costs for important raw and other materials Transition risk: bottlenecks in the energy supply at major production sites (in particular Linz and Donawitz) and higher costs for energy procurement (renewable and non-renewable sources) due to the energy transition in Europe	Actions to account for transition risks arising from resource bottlenecks in relation to decarbonization	Long-standing contracts to cover delivery quantities Actions to promote the circular economy (see chapter E5-2) Diversification of suppliers Expected results: guaranteed delivery quantities

	Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
	Implementation by the BY 2029/30, commissioning of EAFs in Linz and Donawitz in 2027 Differentiation between actions taken and planned actions	Own operations Upstream and downstream value chain to a partial extent	Management Board and Supervisory Board of voestalpine AG Monitoring of near-term Science Based Targets (SBTi)	CapEx greentec steel phase 1: EUR 1.5 billion	Progress according to schedule (ongoing implementation)
	Ongoing implementation	Own operations Partially upstream and downstream value chain	Management boards of the divisions		

IROs addressed	Action	Core content and expected results
Chronic physical climate risks Acute physical climate risks	Actions to counter physical risks	Construction to protect against physical climate risks (adaptation solutions), e.g., flood protection project in Unterer Tollinggraben Expected results: resilience against natural events ensured
Direct energy consumption	Actions to reduce energy requirements	CIP actions and project-related actions in the divisions that contribute to reducing voestalpine's energy consumption, such as e-wind turbine in the Steel Division Expected results: a reduction in direct energy consumption and increased energy efficiency

METRICS AND TARGETS

E1-4 – Targets related to climate change mitigation and adaptation

voestalpine has been committed to setting ambitious targets for reducing GHG emissions since 2022 as part of the Science Based Targets Initiative (SBTi). The set GHG emission reduction targets are gross targets and do not envisage GHG removals, carbon credits, or avoided emissions. More specifically, voestalpine pursues the near-term target of reducing its Scope 1, 2 and 3 emissions and achieving net-zero emissions in the long term, by the business year 2049/50 at the latest.

In order to achieve this target, voestalpine is committed to a science-based 2°C reduction path (well-below 2°C) in accordance with the SBTi, which aligns with the Paris Agreement and supports global efforts to limit global warming. The current Climate Transition Plan was not drafted under the premise of targets below the 1.5°C target to limit global warming (see E1-1 Transition plan for climate change mitigation).

The reduction targets were validated in 2023 on the basis of the general, non-sector-specific SBTi reduction path (absolute contraction approach). The targets up to 2029 validated by the Science Based Targets initiative (SBTi) continue to be calculated on the basis of the calendar year. As part of ESRS-compliant reporting, the basis for the calculation of the GHG footprint has been changed from the calendar year to the business year. Accordingly, the emission reduction targets are presented on a business year basis. A sector-specific decarbonization pathway has not been incorporated to date as there was no relevant pathway available for the steel industry at the time the targets were set. The SBTi is based on established climate and policy scenarios published by the IAMC, IPCC, and IEA in accordance with the Paris Agreement for the validation and development of emission reduction targets. Climate risks were accounted for when the targets were set.

	Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
	Project-dependent	Own operations	Management boards of the divisions	CapEx according to investment program	Project-dependent progress
	Ongoing implementation/ project-dependent	Own operations	Management boards of the divisions	CapEx/OpEx	Progress according to schedule (ongoing implementation)

More specifically, the company is committed to reducing its Scope-1- and Scope-2-emissions by 30% and its Scope-3-emissions by 25% by the business year 2029 as part of the SBTi. The GHG emissions covered are described in E1-6. voestalpine also pursues the medium-term target of reducing its Scope- 1- and Scope-2-emissions by 50% by the business year 2035/36 and achieving net-zero emissions in the long term by business year 2049/50 at the latest. Neither of these targets have been validated by the SBTi.

The Scope-2-GHG emissions used to calculate this target were calculated using the market-based methodology.

SBTi's validation of the 2029 reduction target ensured that the targets were consistent with the company's greenhouse gas inventory limits. The targets were subsequently published, including as part of the Carbon Disclosure Project (CDP).

The base year for tracking progress on target attainment was defined as calendar year 2019. Based on the requirements of the GHG Protocol and the SBTi, a standardized procedure for reviewing and, if necessary, adjusting the GHG footprint for the reference year was developed in the reporting period.

An assessment took place on the basis of five defined categories and thresholds to determine whether a rescaling of the initial calculations is necessary, for example due to structural changes in the Group, methodological developments, or new scientific findings. Due to the recalculation of the GHG balance for the base year 2019 (as a result of the sale of the HBI plant in Texas, for example), the absolute emission levels in t CO_2e have changed in light of the revision of the initial data. This led to the recalculation and re-validation of the absolute target variables according to the valid SBTi standards. In the next business year, namely 2025/26, voestalpine plans to consider updating the targets under the SBTi.

The set GHG emission reduction targets pertain to the material impacts, opportunities, and risks related to climate change mitigation, climate change adaptation, and reducing the physical climate risks and transition risks to which voestalpine is exposed. The targets cover the company's own operations as well as the upstream value chain, in particular raw materials, energy, and input materials. Responsibility for monitoring progress on target attainment as part of the Climate Transition Plan lies with the Management Board and Supervisory Board of voestalpine AG. Progress has been made on the targets with the divisions and the Head of Sustainability Management at voestalpine.

The GHG emission reduction targets are integrated into the voestalpine Decarbonization Climate Transition Plan, which is explained in detail in E1-1 Transition plan for climate change mitigation. To achieve the targets, voestalpine has defined various decarbonization levers that cover both Scope-1- and Scope-2-emissions as well as Scope-3-emissions. These levers are also described as part of the Climate Transition Plan under E1-1 Transition plan for climate change mitigation. Their overall quantitative contribution to achieving the GHG emission reduction targets is described in a detailed list of individual actions under E1-3 Actions and resources in relation to climate change policies.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (ABSOLUTE VALUES)

Near-term targets	2019	Rescaled 2019	Business year 2029/30
In million tons of CO_2e			
Scope 1 & 2	14.6	13.9	9.8
Scope 3	9.3	11.0	8.2

TARGET: 2°C REDUCTION PATH (NEAR-TERM SCIENCE BASED TARGETS)

KPI	Reduction of Scope 1 & 2/Scope 3 GHG emissions
UNIT	% CO_2e reduction
REFERENCE VALUE	**REPORTED** → **TARGET VALUE**
13.9 million t Scope 1 & 2 CO_2e **11.0 million t Scope 3 CO_2e** 2019	**12.9 million t Scope 1 & 2 CO_2e** **9.8 million t Scope 3 CO_2e** Business year 2024/25 → **–30% Scope 1 & 2** **–25% Scope 3** Business year 2029/30
Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2); global value chain (Scope 3)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-2 Climate Transition Plan
Relation to policy	Climate Transition Plan (phased decarbonization plan)

TARGET: GHG REDUCTION (MID-TERM TARGET)

KPI	Reduction of Scope 1 & 2 GHG emissions
UNIT	% CO_2e reduction
REFERENCE VALUE	**13.9 million t Scope 1 & 2 CO_2e** 2019
REPORTED	**12.9 million t Scope 1 & 2 CO_2e** Business year 2024/25
TARGET VALUE	**–50% Scope 1 & 2** Business year 2035/36
Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-2 Climate Transition Plan
Relation to policy	Climate Transition Plan (phased decarbonization plan)

TARGET: NET-ZERO

KPI	Net-zero (Scope 1, 2, 3)
UNIT	CO_2e emissions (CO_2e)
REFERENCE VALUE	**24.9 million t CO_2e** 2019
REPORTED	**22.7 million t CO_2e** Business year 2024/25
TARGET VALUE	**Net-zero CO_2e** Business year 2049/50
Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2); global value chain (Scope 3)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-2 Climate Transition Plan
Relation to policy	Climate Transition Plan (phased decarbonization plan)

E1-5 – Energy consumption and mix

As an energy-intensive company, voestalpine views sustainable energy management as an indispensable part of its corporate strategy. Continuous process optimization has resulted in efficiency gains.

Moving forward, technological transformations, in particular the use of electric arc furnaces (EAF), will help the company make further progress in this regard. A further reduction in fossil fuels is to be achieved on the one hand by increasing the proportion of renewable energies, and on the other hand by further efficiency increases in all production processes. These initiatives contribute both to global climate protection and to securing the company's long-term competitiveness.

Information on the Group's total energy consumption can be found in the table below:

ENERGY CONSUMPTION AND MIX

		2024/25
Fossil feedstocks for metallurgical processes		
0)	Use of coal and coal products for metallurgical processes (MWh)	26,672,394
Fossil energy		
1)	Fuel consumption from coal and coal products (MWh)	170
2)	Fuel consumption from crude oil and petroleum products (MWh)	190,994
3)	Fuel consumption from natural gas (MWh)	6,127,776
4)	Fuel consumption from other fossil sources (MWh)	7,556
5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	942,276
6)	Total fossil energy consumption (MWh)	7,268,772
	Share of fossil sources in total energy consumption (%)	82
Nuclear energy		
7)	Consumption from nuclear sources (MWh)	223,822
	Share of consumption from nuclear sources in total energy consumption (%)	3
Renewable energy sources		
8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	67,306
9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,149,954
10)	Consumption of self-generated non-fuel renewable energy (MWh)	143,069
11)	Total renewable energy consumption (MWh)	1,360,329
	Share of renewable sources in total energy consumption (%)	15
12)	**Total energy consumption (MWh)**	**8,852,923**
	including fossil energy for metallurgical processes (MWh)	35,525,317

The total energy consumption shown includes fossil energy for metallurgical processes, such as reducing agents for the blast furnace process, and energy from fuels.

voestalpine generates electricity in its captive power plants from process gases and uses it to drive both the production process and the downstream processing steps. This enables the Group to cover a large part of its electricity requirements from its own generation. voestalpine currently also uses renewable energy produced by hydropower. Generation from renewable sources amounts to 143,069 MWh, while generation from non-renewable sources comes to 1,469,741 MWh.

Energy intensity based on net revenue:
voestalpine operates in several high climate impact sectors which incur significant energy consumption and GHG emissions. According to regulation (EC) No 1893/2006 (NACE regulation), these include:

» C—Manufacturing
» G—Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
» H—Transport and Storage; and
» L—Real Estate Activities

The revenues of the entire Group were analyzed and compared with revenues in high climate impact sectors in order to assess the energy intensity of the climate-intensive activities.

ENERGY INTENSITY BASED ON NET REVENUE

	2024/25
Energy intensity per net revenue	
Total energy consumption from activities in high climate impact sectors (MWh)	8,852,923
Net revenue from activities in high climate impact sectors (EUR million)	15,705.0
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR million)	564

CONNECTIVITY OF ENERGY INTENSITY BASED ON NET REVENUE WITH FINANCIAL REPORTING INFORMATION

In millions of euros	2024/25
Energy intensity connectivity	
Net revenue from activities in high climate impact sectors used to calculate energy intensity	15,705.0
Net revenue (other)	38.7
Total net revenue (financial statements)	**15,743.7**

E1-6 – Gross Scope 1, 2 and 3 and Total GHG emissions

voestalpine calculates its company-specific GHG footprint in accordance with the provisions of the Greenhouse Gas Protocol using primary data, databases, and value chain information. Modeling is based on recognized methods and is applied Group-wide for production and sales locations worldwide. The evaluation methodology "EF 3.1 Climate change total" was applied for this reporting year.

Data collection, GHG modeling, and the presentation of findings are subject to external verification in accordance with ISO 14064-3. The GHG reporting system limits correspond to the voestalpine consolidation limits (see Consolidated Financial Statements) and include domestic and foreign fully consolidated companies over which voestalpine exercises operational control, taking into account materiality limits for Scope 1 and Scope 2 emissions in GHG accounting. The materiality assessment identified the most significant Scope-3-categories, which led to an adaptation of the reporting in the business year of 2024/25 compared to previous years. The change affects the comparability of the reported GHG emissions between the reporting periods and is explained in this chapter.

voestalpine's GHG emissions have been compiled in consideration of reporting periods that may differ from those of some companies in the value chain. In the case of relevant events and changes affecting emissions between different reporting periods, the corresponding events and changes are taken into account. No significant deviations or changes are known at present.

The GHG footprint of voestalpine AG is divided into three areas referred to as scopes:

- **Scope 1:** direct emissions from internal or controlled sources
- **Scope 2:** indirect emissions from the generation of purchased energy, both market and location-based, consumed by the company
- **Scope 3:** indirect emissions along the upstream and downstream value chain

Scope-3-GHG emissions are largely based on secondary data, as primary data from suppliers or other partners in the value chain is not yet available in the comprehensive quality required. The scopes shown cover carbon emissions and other climate-relevant GHG emissions in accordance with the Kyoto Protocol and the GHG Protocol standard. Accordingly, Scope-3-emissions of consolidated entities are taken into account, whereas Scope-3-emissions of non-consolidated entities are not taken into account. For other entities in the value chain, indirect issues are taken into account in category 1 "purchased goods." All emission levels are reported in CO_2 equivalents (CO_2e).

GHG EMISSIONS

	Retrospective		Milestones and target years			
	Base year	Current BY 2024/25	Current BY 2024/25	Near-term target 2029/30	Long-term-target 2049/50	Annual % target/ base year
Scope-1-GHG emissions				9.8	Net-zero emissions	
Gross Scope-1-GHG emissions (million t CO_2e)	12.8	12.1	12.1			
Percentage of Scope-1-GHG emissions from regulated emission trading schemes (%)	98	98	98			
Scope-2-GHG emissions						
Gross location-based Scope-2-GHG emissions (million t CO_2e)	0.5	0.6	0.6			
Gross market-based Scope-2-GHG emissions (million t CO_2e)	1.1	0.8	0.8			
Significant Scope-3-GHG emissions				8.2		
Total gross indirect (Scope 3) GHG emissions (million t CO_2e)	11.0	9.8	9.8			
3.1 Purchased goods and services	9.3	8.3	8.3			
3.2 Capital goods	–	0.1	0.1			
3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	0.7	0.5	0.5			
3.4 Upstream transportation and distribution	0.6	0.6	0.6			
3.5 Waste generated in operations	0.03	0.03	0.03			
3.6 Business travel	immaterial		immaterial			
3.7 Employee commuting	immaterial		immaterial			
3.8 Upstream leased assets	immaterial		immaterial			
3.9 Downstream transportation	0.4	0.4	0.4			
3.10 Processing of sold products	immaterial		immaterial			
3.11 Use of sold products	immaterial		immaterial			
3.12 End-of-life treatment of sold products	immaterial		immaterial			
3.13 Downstream leased assets	immaterial		immaterial			
3.14 Franchises	immaterial		immaterial			
3.15 Investments	immaterial		immaterial			
Total GHG emissions						
Total GHG emissions (location-based) (million t CO_2e)	24.3	22.5	22.5			
Total GHG emissions (market-based) (million t CO_2e)	24.9	22.7	22.7	18.0	net-zero	

Scope-1-emissions
voestalpine's Scope 1 direct greenhouse gas emissions come from its own companies and sites, the majority of which are emitted in Austria at its Linz and Donawitz sites. 98% of these emissions come from installations covered by the EU Emissions Trading System (ETS).

No biogenic CO_2 emissions from biomass combustion were emitted in the reporting period.

Scope-2-emissions
voestalpine uses two methods to calculate Scope-2-GHG emissions:

» **Location-based method:**
based on average emission factors for energy generation in specific geographic regions according to the GHG Protocol Scope 2 Guidance (Glossary, 2015).

» **Market-based method:**
uses specific emission factors for the producers from which the company purchases electricity. Evidence is obtained through guarantees of origin or certificates for renewable energies.

The share of market-based Scope-2-GHG emissions covered by contractual instruments is 32%. Contractual instruments from energy suppliers that meet the requirements of the GHG Protocol were taken into account, including guarantees of origin and declared electricity mix information.

Databases based on average energy generation data at national and partly sub-national level were used to calculate Scope 2 location-based GHG emissions.

Direct biogenic GHG emissions resulting from biomass combustion but not included in Scope 2 are reported separately in Scope 1. A breakdown of the biogenic CO_2 content is not possible for the emission factors used to calculate Scope-2-GHG emissions and is therefore not included in the report.

Scope-3-emissions
As part of the materiality assessment, voestalpine conducts an evaluation of all Scope-3-categories to identify the main indirect GHG emissions in its value chain. Categories with a share of less than 1%

of corporate emissions or categories that are not relevant under the Greenhouse Gas Protocol are not considered material and are therefore not included in the GHG footprint. In the business year 2024/25, this concerned the following categories:

» 3.6 Business travel
» 3.7 Employee commuting
» 3.8 Upstream leased assets
» 3.10 Processing of sold products
» 3.11 Use of sold products
» 3.12 End-of-life treatment of sold products
» 3.13 Downstream leased assets
» 3.14 Franchises
» 3.15 Investments

Supplier engagement improves Scope-3-data quality
As part of supplier engagement, verified product carbon footprints (PCFs) are collected from suppliers and accounted for in the GHG footprint. Currently, GHG accounting is primarily based on secondary data from databases that do not record a reporting period. The proportion of primary data is still low and is preferably obtained from carbon footprints, for example from verified environmental product declarations (EPDs). The data published in Life Cycle Assessments (LCA) and verified externally are valid for up to five years. Due to the available data quality, primary data on Scope-3-emissions is not used for GHG accounting.

No biogenic CO_2 emissions from biomass combustion or bioremoval were emitted along the value chain in the reporting period.

The following tables show the GHG intensity per net revenue and the connectivity of GHG intensity.

GHG INTENSITY PER NET REVENUE

	2024/25
Total GHG emissions (location-based) per net revenue (t CO_2e/EUR million)	1,429.1
Total GHG emissions (market-based) per net revenue (t CO_2e/EUR million)	1,441.8
Net revenue used to calculate GHG intensity: Total net revenue (financial statements) (EUR million)	15,743.7

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the metrics used; description of the assumptions and methodology
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	44. 46–52	GHG footprint	The GHG footprint is calculated on the basis of the consumed volumes of energy, materials, and raw materials recorded as part of the Group data collection, as well as secondary data (emission factors of databases and energy suppliers) according to the GHG Protocol
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	48a	Scope-1-emissions	This parameter is calculated by aggregating the Scope-1-emissions of the individual companies, data which is requested as part of a Group-wide data collection. If carbon monitoring takes place according to ETS, the results are compared using monitoring evidence or using the calculation based on fossil fuel use with the inclusion of relevant emission factors
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	AR 43c	Biogenic CO_2 emissions from biomass combustion or bioremoval	The use of biomass as a source of energy is recorded as part of Group-wide data collection and carbon emission factors are calculated on the basis of CO_2 emissions
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	48b	Percentage of Scope-1-GHG emissions covered by EU ETS	Aggregation of Scope-1-emissions of all Group companies covered by the EU ETS
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	49	Scope-2-emissions (location- and market-based)	Scope-2-emission factors (location- and market-based) are calculated on the basis of the energy purchases reported as part of Group-wide data collection, as well as the reported emission factors of energy suppliers or regional emission factors from data bases
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	51	Total Scope-3-emissions	Scope-3-emissions are determined on the basis of the input volumes of material flows, raw materials, and energy carriers reported as part of Group-wide data collection and using secondary background data sets (emission factors)
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	53–55	Greenhouse gas intensity Net revenue to calculate GHG intensity	Calculation of greenhouse gas intensity based on reported total greenhouse gas emissions for the reported net revenue Reference to financial reporting
E1-5 Energy consumption and mix	37–38	Total energy consumption	Aggregation of energy consumption from the Group companies collected as part of the Group-wide data collection
E1-5 Energy consumption and mix	40	Energy intensity	Calculation of energy intensity based on reported total energy consumption and reported net revenue

	Where applicable: description of the sources of measurement uncertainty	Resulting level of accuracy	External validation	Where applicable: measures planned to improve accuracy
	Sources of measurement uncertainty relate to the carbon analyses, consumption collection systems in place at the Group companies, underlying data sets, and the extrapolation of quarterly figures	High (+/–3%)	Yes	Ongoing development and expansion of data collection and evaluation
	Sources of measurement uncertainty relate to the carbon analyses, consumption collection systems in place at the Group companies, and the extrapolation of quarterly figures	High (+/–3%)	Yes	Ongoing development and expansion of data collection and evaluation
	Sources of measurement uncertainty relate to the carbon analyses, consumption collection systems in place at the Group companies, and the extrapolation of quarterly figures	High (+/–3%)	–	Ongoing development and expansion of data collection and evaluation
	No further uncertainty	High (+/–3%)	–	–
	Sources of measurement uncertainty relate to the energy collection systems in place at the Group companies, the underlying data sets used, and the extrapolation of quarterly figures	High (+/–3%)	Yes	Ongoing development and expansion of data collection and evaluation
	Sources of measurement uncertainty relate to the energy and material collection systems in place at the Group companies, the underlying data sets used, and the extrapolation of quarterly figures	High (+/–3%)	Yes	Ongoing development and expansion of data collection and evaluation
	No further uncertainty	High (+/–3%)	–	–
	Sources of measurement uncertainty relate to the energy collection systems in place at the Group companies and the extrapolation of quarterly figures	High (+/–3%)	–	Ongoing development and expansion of data collection and evaluation
	No further uncertainty	High (+/–3%)	–	–

ESRS E2 POLLUTION

As part of its double materiality assessment, voestalpine has identified its material impacts, risks, and opportunities related to air, water, and soil pollution, as well as critical substances and substances of very high concern. A detailed description of the testing procedures applied for sites and business activities along the value chains and the engagement of affected communities can be found in ESRS 2 IRO-1.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	
Air pollution	●	NO_X, SO_X, and dust emissions from our own production processes	In recent decades, voestalpine has implemented measures to significantly reduce air emissions; due to the nature of its production processes and the raw materials used, SO_2, NO_X, and dust continue to be emitted	

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E2-1 – Policies related to pollution

Active climate change mitigation—in particular avoiding and mitigating air pollution—has been firmly anchored in voestalpine's corporate principles for decades.

In order to effectively manage the negative impacts associated with pollution, voestalpine relies on locally implemented environmental strategies. To facilitate this, environmental management systems (EMS) have been implemented at the production sites in accordance with the recognized EMAS, ISO 14001, or equivalent regulations. Environmental management systems make it possible to effectively roll out site-specific actions and targets at short notice.

A corresponding environmental management system is already in place at the majority of companies that have a significant impact on the environment from a Group perspective. At present, this covers 86% of the manufacturing companies responsible for 98% of voestalpine's production volume.

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Consideration of legal provisions in the strategy and business model Adaptation of central production facilities and processes	››› Group-wide	●●●●	Environment and society Local, national, and international authorities

Key

- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- ››› Upstream
- ››› Own operations
- ››› Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

The environmental management systems define how the respective companies can improve their environmental performance, fulfill legal and other commitments, and achieve local environmental targets. Environmental targets are defined and the necessary action determined and implemented in line with the plan-do-check-act (PDCA) approach, as outlined below:

Plan: Identification and analysis of issues or areas that demonstrate the potential for improvement, target setting, and the development of a detailed implementation plan.

Do: Implementation of necessary actions according to the implementation plan.

Check: Monitoring and assessment of implementation results to determine whether the targets set have been achieved.

Act: Derivation and implementation of further measures based on the results of the review.

Preventing and reducing negative impacts on air, water, and soil quality (e.g., NO_x, SO_x, and dust emissions) is one of the core tasks handled by the environmental management systems in place at voestalpine production companies. One of the main tools employed in this regard is comprehensive pollutant monitoring, which is conducted both in line with and beyond the thresholds of regulatory requirements. This enables process managers to intervene in process management early on in the event of an incident.

Installation set up for preventing and reducing adverse environmental impacts correspond to the current state of the art or meet standards that exceed the current state of the art. Like all process plants, they are inspected and maintained on a regular basis. Periodic inspections are also carried out by the authorities, resulting in adjustments and the development of new plans for minimizing pollutants, if necessary with the involvement of external experts.

The Group relies on trained personnel and internal experts to identify problematic situations at an early stage and take appropriate action in response. In the case of extraordinary events, local emergency plans and protocols are in place to facilitate a rapid response and appropriate action. On-call services are available 24 hours a day to coordinate the necessary procedures in the event of an incident and to facilitate the involvement of external support and authorities if necessary.

In order to harmonize and standardize Group-wide environmental management, a Group-wide environmental guideline is currently in the pipeline. Once introduced, the guideline should have an impact on the current decentralized environmental management systems in place at the individual companies and create a common framework for the Group in consideration of the upstream and downstream value chain.

POLICY OVERVIEW

IROs addressed	Policy	Core content	Scope of the policy	Responsibility and monitoring	Other comments
NO_x, SO_x, and dust emissions from our own value-added processes	Environmental management system	Environmental management system in accordance with ISO 14001, EMAS, or equivalent in place at production sites with material environmental impacts from a Group perspective and compared to Group-wide benchmarks, or production sites that make a material contribution to improving Group-wide environmental performance from a Group perspective Determination of how the organization can improve its environmental performance, fulfill its legal commitments, and achieve local environmental targets in line with the PDCA approach	Group manufacturing companies and sites	Management boards of the companies	Regular compliance check as part of the PDCA cycle Engagement of authorities and experts, if necessary direct representatives of neighboring communities

E2-2 – Actions and resources related to pollution

For years, voestalpine has been committed to comprehensive and active climate change mitigation and has continuously undertaken activities to prevent and reduce emissions. As one of these activities, comprehensive environmental impact assessments are carried out at voestalpine sites on an ongoing basis. Based on the findings from the assessments, investments and expansion projects are pursued to improve existing environmental protection facilities. These activities have led to continuous reductions in emissions in recent years. Further information on this topic can be found in the published environmental reports.

A large number of activities aimed at protecting the environment are carried out every year. These range from modifying the process control system to overhauling and expanding existing installations, and completely rebuilding environmental protection systems such as pollutant separation systems.

At voestalpine, measures to reduce pollution are particularly relevant at the local level, as the main sources of environmental pollution are site-specific and largely depend on different production processes and plant configurations.

The process defined by the environmental management systems (PDCA cycle) envisages a continuous assessment of the current environmental situation and the derivation of necessary measures for environmental protection. Regular reviews and evaluations at site level help to ensure that measures are implemented quickly and maximize their impact in line with local requirements.

Alongside ongoing progress monitoring by the management systems, additional potential improvements are discussed with the external experts during official inspections.

When evaluating possible measures, the specialist departments also involve external experts from public authorities, plant designer, and technology suppliers, as well as the company's own research departments. Measures under consideration are often reviewed in comparison with the specifications of the European Commission on the state of the art.

Activities related to environmental protection are primarily pursued through two approaches:

» **Process-integrated activities:**
adjusting process sequences or making adaptations (e.g., burner replacement) to prevent or reduce emissions.

» **End-of-pipe technologies:**
preventing the emission of already generated pollutants into the environment, or treating the pollutants prior to emission.

Detailed lists of the set activities can be found in the locally published environmental statements and elsewhere. The following activities can be cited as examples for the reporting year:

» **voestalpine Stahl GmbH:**
Extensive extraction systems have been installed in the raw material supply area and the casting ladle tilt station of the steel plant to capture and reduce dust emissions.

» **Villares Metals:**
Expansion of the existing dust extraction system to further reduce dust emissions in the steel plant has been implemented.

» **voestalpine Grobblech GmbH:**
Expansion of the water management system with a new downstream cleaning facility to further reduce the total suspended solids in accordance with the new requirements based on best available techniques is currently being implemented.

The following table explores examples of activities related to implementation of the best available techniques and outlines the IROs addressed and further activities.

OVERVIEW OF ACTIONS

IROs addressed	Action	Core content and expected results
NO_x, SO_x, and dust emissions from our own value-added processes	Package of measures to reduce the release of emissions into the air, water, and soil	» Implementation of location-based emission reduction measures » Important matter: implementation of requirements from the BAT process for implementing the best available techniques (valid for sites subject to IED); further regulatory requirements in other countries Expected results: Reduction in the release of emissions into the air, water, and soil

State-of-the-art activity	Emissions/ substances	Mitigation activity
Iron and steel manufacturing		
	Air emissions: Dust	» Extraction systems for preventing and reducing diffuse dust emissions » Complete encapsulation and containment of plant processes to prevent dust emissions
	Air emissions: NO_X	» Exhaust gas recirculation in the sinter plant » Selective catalytic reduction (SCR) to reduce nitrogen oxide emissions
	Air emissions: SO_X (SO_2)	» Desulphurization of coke oven gas » SO_2 reduction by injecting adsorbent in the sinter plant exhaust gas
Metal processing		
	Air emissions: Dust	» Extraction systems to catch dust emissions » Dust separation in an electrostatic precipitator or fabric filter
	Air emissions: NO_X	» Optimized process control of heating furnaces » Avoidance of false air intake through optimized design of the furnace chambers
	Water emissions: Heavy metals and total suspended solids	» Separate collection of different wastewaters » On-site wastewater treatment with neutralization and heavy metal precipitation, as well as sand filter systems
Power plant engineering		
	Air emissions: NO_X	» Low-NO_X burner technology » Air staging » Selective catalytic reduction of nitrogen oxides (SCR)
	Air emissions: CO	» Optimized process control » LAMBDA air control for complete combustion » Combustion air preheating
	Air emissions: SO_X (SO_2)	» Pre-desulphurization of process gases (coke oven gas)
	Water emissions: Input of pollutants	» Separate collection of water and wastewater streams » Dry, water-free waste gas treatment systems

The set activities are implemented as part of an overarching package of measures and cover the scope of the company's own operations. The upstream and downstream value chain is not taken into consideration in this context.

Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
Project-dependent	Own value chain (sites subject to IED or comparable legislation outside the EU)	Management boards of the companies Divisional management (management boards)	CapEx of EUR 27.6 million	Indirect consideration of interests through implementation of regulatory requirements (environment, society)

METRICS AND TARGETS

E2-3 – Targets related to pollution

voestalpine employs individual targets at each site to manage site-specific environmental impacts. Due to the high number of operational sites with different process and production processes, as well as complex plant networks, the environmental impacts differ considerably from site to site. Group-wide standardization or central control of environmental targets is therefore not feasible at present. Accordingly, no ESRS-compliant Group environmental targets are currently defined or planned. Nevertheless, the pertinent legal requirements are observed and effectiveness is continuously ensured through the environmental management system and reviewed through regular external audits.

E2-4 – Pollution of air, water, and soil

In order to ensure compliance with the legal requirements and to make the processes as efficient as possible, comprehensive monitoring systems have been implemented to track pollutant emissions at the Group's production sites. These include continuous and periodic measuring systems that detect emissions in the air, water, and waste water. Pollutant analyses are then carried out by accredited, in-house, or external laboratories. In certain cases, for instance when process gases are burned, emission levels are recorded using the stoichiometric combustion calculation based on the composition of the measured process gas. This approach is recognized in the field and comparable to direct emission measurement. Due to the small volume of corresponding calculated emission data, the resulting level of uncertainty is very low.

The emission levels reported by the Group companies refer to the calendar year and are projected over the course of the business year on the basis of forecast values. Due to the fact that plant operating methods remain consistent throughout the year, it can be assumed that the extrapolated figures are highly accurate.

At Group level, a survey of all metrics relevant to the environment takes place on an annual basis on an online reporting system. Topic-specific data are collected by local experts. A high number of production sites are already subject to comprehensive legal reporting requirements, such as the European Pollutant Release and Transfer Register Regulation (E-PRTR). Group-wide data collection takes place on the basis of these requirements, thereby ensuring high data quality along with verification by external control bodies.

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the metrics used; description of the assumptions and methodology
E2-4 Pollution of air, water, and soil	28a	Emissions released into the air, water, and soil (non-GHG)	Only includes emissions from installations that exceed the thresholds of the European Pollutant Release and Transfer Register (E-PRTR Regulation) Emission levels are based on an evaluation over the course of the CY and monitoring requirements, which are converted to the BY for reference factors

The following table provides an overview of the volumes of pollutants released into the air and water by voestalpine in the business year 2024/25. This marks the first time that this data has been reported in this format and for the new reporting period on the basis of the business year. Consolidated data for earlier periods are not available. Accordingly, no developments or changes over time can be presented in this sustainability statement. However, starting in the new reporting period, any changes in the volumes of pollutants released compared with 2024/25 will be included.

OVERVIEW OF EMISSIONS

in tons	2024/25		
	Air	**Water**	**Soil**
Carbon monoxide (CO)	159,089	-	-
Sulfur oxides (SO_X/SO_2)	5,011	-	-
Nitrogen oxides (NO_X/NO_2)	4,340	-	-
Particulate matter (PM10)	342	-	-
Methane (CH_4)	182	-	-
Chlorine and inorganic compounds (as HCl)	20.0	-	-
Lead and lead compounds (Pb)	0.3	0.2	-
Mercury and mercury compounds (Hg)	0.3	0.004	-
Cadmium and cadmium compounds (Cd)	0.03	-	-
Hydrofluorocarbons (HFCs)	35.3	-	-
Chromium and chromium compounds	0.1	1.0	-
Zinc and zinc compounds	5.5	6.9	-
Benzene	5.3	-	-
Polycyclic aromatic hydrocarbons (PAHs)	0.1	-	-
Fluorine and inorganic compounds (as HF)	6.7	-	-
Total nitrogen	-	304	-
Total phosphorus	-	28	-
Nickel and nickel compounds	-	1.1	-
Naphthalene	-	0.01	-
Phenols (as total C)	-	194	-
Total organic carbon (TOC) (as total C or COD/3)	-	432	-
Cyanides (as total CN)	-	0.8	-
Fluorides (as total F)	-	63	-
Arsenic and arsenic compounds	-	0.01	-

Where applicable: description of the sources of measurement uncertainty	**Resulting level of accuracy**	**External validation**	**Where applicable: measures planned to improve accuracy**
Estimate for individual quarters	High (+/–3%)	None	Ongoing development and expansion of data collection and evaluation

ESRS E3 WATER AND MARINE RESOURCES

The protection of water and marine resources is one of the key environmental fields of action. voestalpine puts a great amount of effort into addressing the identified impacts of its business activities. In particular, its focuses on responsible water withdrawal and the efficient use of water resources. Technological optimizations, the closed-loop circulation of cooling water, and forward-looking water management play a central role in this regard.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description
Water withdrawal	●	Water withdrawal	voestalpine extracts significant amounts of cooling water from watercourses for its largest production locations (Linz, Donawitz, Kapfenberg)

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E3-1 – Policies related to water and marine resources

Water is an indispensable resource for voestalpine's production processes. It is primarily used for cooling purposes in pig iron and steel production, in melting processes. and in heat treatments. Against the backdrop of increasing environmental and regulatory requirements, sustainable, structured, and systematic water management activities are crucial, both when it comes to minimizing impacts and to ensuring long-term production capacity.

voestalpine's water management activities are based on well-established environmental management systems. Certified environmental management systems (e.g., according to ISO 14001 or EMAS) are rolled out at all major production sites to ensure compliance with local targets (see also E3-3). These incorporate, among others, local water management plans, which are maintained and further developed by specialized environmental departments on an ongoing basis.

Sustainable water management is of central importance both for the stability of existing processes and for ensuring the long-term operational viability of voestalpine's production sites. Group-wide, structured systems and clearly defined processes for responsible water management are in place at

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Adaptation of production facilities and processes (if necessary)	›› Group-wide	●●●●	Local residents, environment Local, national, and international authorities Non-governmental organizations

Key
- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- ››› Upstream
- ›› Own operations
- ›› Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

site level. All voestalpine production sites are included in reviews of water resources. According to the related findings, there are currently no sites with material water-related impacts in areas of high water stress. For individual, less relevant sites in areas potentially prone to high water stress, which are not currently covered by an environmental management system, plans have been outlined to include these sites in the future and integrate them into the system accordingly.

Current water management activities within the framework of voestalpine environmental management systems include the following key elements:

» Local water management plans
Since water systems vary locally and are influenced to differing degrees by voestalpine companies, all water management strategies and measures are coordinated with local authorities and communities. In line with the pertinent legal requirements, all water withdrawals and water discharges are subject to official permits and are monitored in terms of quantity and quality. These permits are regularly reviewed in cooperation with external experts and adjusted if necessary. Comparisons with the current state of the art are also carried out on a regular basis (depending on developments and specifications), on the basis of which further adaptations are determined and implemented if necessary.

» Separate water circuits

Separate water circuits are used in the production processes to reduce and prevent the discharge of pollutants. As described above, the majority of the water withdrawn is used for cooling purposes, primarily through the use of indirect cooling systems. These function as separate cooling circuits: The primary cooling water flow, which draws on river water, for example, cools a secondary cooling circuit with the use of heat exchangers, which is then fed to the actual process. As a result, no pollutants are introduced into the water flow and the quantities of water removed can be returned to the ecosystems without any loss of quality. In the event that these continuous flow systems require very large amounts of water, the energy requirement, the maintenance work required, and the associated use of chemicals are comparatively low. Depending on local conditions, water availability, and process requirements, multiple cooling systems and circulation systems with cooling towers are also used. In addition to separated closed-loop circulation, actions are also taken to prevent the release of pollutants into the environment—in particular into groundwater—in the event of unplanned events or damage. For example, storage areas and production lines are equipped with catchment and retaining systems that are subject to regular inspections and functional tests.

» Comprehensive waste water treatment

In cases when contamination by direct product contact or process control is technically unavoidable, water pollution is minimized through targeted post-treatment. Specifically designed treatment processes for on-site waste water treatment facilitate the effective capture of pollutants. Efforts are made to treat similar waste waters with similar compositions together. At the Linz site, for example, alkaline and acidic waste waters from various production lines are separately collected and processed in specifically designed installations. Samples are taken on a regular basis from all discharge points and the relevant metrics are analyzed by accredited laboratories and monitored by the authorities. In cases where municipal waste water treatment plants have the necessary separation methods at their disposal, waste water is also sent to them directly. The composition and amount of waste water are contractually regulated to ensure that the separation of pollutant is warranted by the external facility.

POLICY OVERVIEW

IROs addressed	Policy	Core content	Scope of the policy	Responsibility and monitoring	Other comments
Water withdrawal	Environmental management system (see E2)	Environmental management system in accordance with ISO 14001, EMAS, or equivalent in place at production sites with material environmental impacts from a Group perspective and compared to Group-wide benchmarks, or production sites that make a material contribution to improving Group-wide environmental performance from a Group perspective Determination of how the organization can improve its environmental performance, fulfill its legal commitments, and achieve local environmental targets in line with the PDCA approach	Group manufacturing companies and sites	Management boards of the companies	Regular compliance check as part of the PDCA cycle Engagement of authorities and experts, if necessary direct representatives of neighboring communities

E3-2 – Actions and resources related to water and marine resources

The implemented environmental management systems and the water management plans in place at the operational sites require that in addition to continuous monitoring, activities relating to water and waste water management are defined and implemented on an ongoing basis.

The focus is on three key fields of action, which are explained in the previous chapter E3-1 Policies related to water and marine resources. This includes the separate management of water circuits to reduce and prevent the discharge of pollutants as well as to reduce water withdrawal and the associated waste water discharges, supported by local water management plans. Comprehensive waste water treatment also plays a crucial role, along with the development of safety measures to prevent unplanned emissions of pollutants such as leaks or fluid discharge. As with pollution, water protection activities are also implemented primarily at the local level, with no Group-wide action policies in place.

The large number of individual measures with varying scopes ultimately contributes to comprehensively improving the environmental situation. As corresponding water management activities are already being undertaken successfully within the framework of existing environmental management systems, no additional activities are currently envisaged.

The implementation of the aforementioned ongoing water management activities under the environmental management systems does not require significant operating expenses and/or capital expenditure.

METRICS AND TARGETS

E3-3 – Targets related to water and marine resources

The main focus of the Group on minimizing the impact of the production facilities on the local ecosystems and aquatic systems. On the one hand, this means avoiding or reducing the introduction of pollutants into water to the greatest possible extent, and, on the other, reducing the quantities of water in full, where possible, and keeping the thermal load low.

Pollutant discharges or water withdrawals can have an impact on the surrounding ecosystems and the local water balance. This, in turn, requires that regulations and requirements are adapted to local conditions. As targets often hinge on local conditions, they are set by the individual companies. For this reason, a Group-wide requirement for water quality or water consumption is not considered expedient. Within the framework of the existing environmental management systems, the companies pursue individual water management targets that are geared to local conditions. The effectiveness of local actions with regard to target attainment is reviewed through regular audits performed by external institutions. Group-wide target setting pursuant to ESRS is therefore not currently envisaged.

E3-4 – Water consumption

The term water consumption is widely used, but is often assigned varying definitions and interpretations. According to ESRS, water consumption refers to the amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period. For the production of iron and steel and the processing of steel products, evaporation losses and evaporation are the main influences on the water consumption.

The more extensive a technical process is, the more difficult it becomes to balance water flows. Accordingly, in a complex system such as an iron and steel mill, it is not possible to completely balance quantities using the monitoring systems in place. In light of this, the voestalpine Group has carried out a separate investigation into fresh water consumption. In accordance with ISO 14046, extensive water balances were established at the process level and the net fresh water consumption of the sites was calculated. Internal volume measurements were used to draw up the balances although it should be noted that approximately 95% of the water and waste water flows are directly measured by companies of the voestalpine Group. Where these measurements were not available, estimates and extrapolations were made on the basis of state-of-the-art data. This water footprint study was prepared by an external consulting firm in cooperation with experts from the operational sites and verified by another independent verifying body. The consumption figures reported here are based on the findings of this study and on the evaluations of the Group-wide collection of environmental data.

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the metrics used; description of the assumptions and methodology
E3-4 Water consumption	28a	Water consumption	Water consumption figures are based on the water footprint study and have been converted to the BY for reference factors
E3-4 Water consumption	28b	Water consumption in areas of high water stress	Water consumption figures are based on the water footprint study and have been converted to the BY for reference factors
E3-4 Water consumption	28c	Total water recycled and reused	The parameters are based on data collected internally and have been converted to the BY for reference factors
E3-4 Water consumption	29	Water intensity	Calculated on the basis of parameters

OVERVIEW OF WATER CONSUMPTION

	2024/25
Total water consumption (m^3)	15,123,641
Total water consumption in areas exposed to water risk (m^3)	341,916
Total water recycled and reused (m^3)	84,979,662
Total water consumption in own operations (m^3/EUR million)	961
Net revenue used to calculate total water consumption in own operations: Total net revenue (financial statements) (EUR million)	15,743.7

Water consumption in areas exposed to water risks refer to regions of high water scarcity according to the Aqueduct Water Risk Atlas published by the World Resources Institute. However, the associated water consumption corresponds to only 2% of the total water consumption of the voestalpine Group and is therefore of minor significance.

Where applicable: description of the sources of measurement uncertainty	Resulting level of accuracy	External validation	Where applicable: measures planned to improve accuracy
Measurement uncertainty of monitoring systems and estimate for quarters	High (+/–3%)	None	» Ongoing development and expansion of data collection and evaluation » Periodic updates of the water footprint study

ESRS E4 BIODIVERSITY AND ECOSYSTEMS

The conservation of biodiversity and the protection of ecologically vulnerable habitats represent two of voestalpine's environmental fields of action. The company closely addresses the impacts, risks, and opportunities of its business activities and value chain on biodiversity and ecosystems.

Detailed information on the identified impacts, risks, and opportunities (IROs) related to biodiversity and ecosystems is presented in the IRO table below.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	
Biodiversity and ecosystems	●	Biodiversity in the upstream value chain	Impacts on ecosystems in the upstream value chain (in particular arising from the production of key raw materials such as iron ore and coal)	

STRATEGY

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As part of the materiality assessment, voestalpine looked at the extent to which biodiversity and changes in ecosystems result in impacts, risks, and opportunities for the business model. Material impacts were identified in the upstream value chain, in particular in relation to the extraction of raw materials. By contrast, no impacts on biodiversity or ecosystems were uncovered at voestalpine's own sites, which are mainly located in industrial areas. Likewise, no physical or transition risks were identified that were subsequently analyzed as part of the overall climate risk analysis. The analysis confirmed that the voestalpine business model currently has no direct or material dependence on biodiversity or specific ecosystem services. In light of this, no separate resilience analysis has been carried out to date in relation to biodiversity and ecosystems. More information on the findings from the analysis can be found in chapter ESRS 2 E4 Biodiversity and ecosystems.

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E4-2 – Policies related to biodiversity and ecosystems

voestalpine accounts for relevant biodiversity and ecosystem aspects in order to protect the local environment and ensure compliance with environmental regulations in the environmental management systems in place at site level.

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Establishment of sustainable supply chains Strategic selection of partners	>>>	●●●●	Environment Suppliers Local, national, and international authorities

Key
- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- >>> Upstream
- >>> Own operations
- >>> Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

At this stage, voestalpine does not have a policy in place for managing impacts on biodiversity and ecosystems in the upstream value chain. A Group-wide approach is currently being developed to systematically take biodiversity aspects into account in the upstream value chain. The development of policies will then be addressed on the basis of this approach.

E4-3 – Actions and resources related to biodiversity and ecosystems

At voestalpine, material sustainability matters are managed through targeted action and action plans with the aim of preventing, reducing, or remedying actual and potential impacts. Following the identification of relevant impacts in the upstream value chain, initial actions have been initiated for future implementation.

General activities

A thorough understanding of suppliers is crucial when it comes to minimizing voestalpine's upstream environmental impacts. In order to systematically document the environmental footprint along the supply chain and to minimize negative impacts on biodiversity and ecosystems in a targeted manner, voestalpine is currently developing a dedicated questionnaire. The questionnaire will be used for the structured collection of relevant information on biodiversity conservation and environmental responsibility in the extraction of raw materials.

Selected suppliers of raw materials are the primary focus of the questionnaire—especially suppliers of raw materials that have a material impact on natural habitats such as ores and coal.

voestalpine aims to gain insights into the environmental practices of its suppliers, to better assess risks and, if necessary, to develop joint measures to improve environmental compatibility.

In addition, voestalpine is currently deliberating adding the topics of biological diversity and conservation to its Code of Conduct for Business Partners with the aim of systematically integrating the responsible use of natural habitats into the supplier management system in the future. As a result, conserving biodiversity will become an integral part of cooperation across the value chain.

Compensation measures for impacts on biodiversity and ecosystems are currently not pursued by voestalpine.

OVERVIEW OF ACTIONS

IROs addressed	Action	Core content and expected results
Biodiversity in the upstream value chain	Preparation of a supplier questionnaire on biodiversity and ecosystems	Inclusion of the topic of biodiversity and ecosystems in the supplier survey for supplier engagement Expected results: » Strengthening of transparency and minimization of risk in the supply chain » Fulfilment of regulatory requirements (e.g., CSDDD)

Site-specific activities
Activities are already being undertaken at various locations to minimize the impact on biodiversity and ecosystems. These activities are identified and implemented in line with legal requirements and in accordance with the principles and requirements of the environmental management systems. Regular reviews are carried out to ensure the implementation and effectiveness of the activities.

In its activities related to biodiversity and ecosystems, voestalpine relies on the expertise of local experts to develop and implement the necessary activities. These experts are engaged whenever specific local or regional knowledge and experience is required to effectively minimize and manage environmental impacts. With this approach, voestalpine ensures that its activities comply with both local conditions and legal requirements. voestalpine does not operate any sites in areas with indigenous populations. Indigenous knowledge is therefore not taken into account in the implementation of its activities.

	Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
	Planned from the BY 2025/26 onwards	Selected raw material suppliers	Head of the Corporate Sustainability Department & Head of the Group Procurement Department	–	If necessary, division of Group targets based on actions after initial evaluation

METRICS AND TARGETS

E4-4 – Targets related to biodiversity and ecosystems
As things currently stand, voestalpine does not pursue any targets on the topic of biodiversity and ecosystems. In the coming years, a solid data basis is to be created upon which concrete targets can be developed and anchored in the medium to long term. The general measures mentioned under E4-3 are currently still in the development phase and therefore their effectiveness can only be evaluated at a later stage.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Steel offers the ideal prerequisites for the circular economy due to its full recyclability, its durability, and its reparability. voestalpine is committed to resource efficiency by reintroducing scrap and other metallic residues back into the production process. By 2030, the use of secondary raw materials is to be further intensified by increasing the use of scrap in crude steel production by 50%.

By-products such as slag, dust, and sludge are recycled within the company or transferred to other industries where technically feasible and legally permissible. This reduces the company's reliance on primary raw materials.

In addition, voestalpine helps its customers increase their use of secondary raw materials through closed material cycles and recycling policies. The aim is to keep raw materials in the economic cycle for as long as possible and to minimize waste.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic	Impact, risk, opportunity (IRO)	Description
Circular economy	● Metal recycling—using scrap as a resource	voestalpine contributes to metal recycling and the circular economy by recovering and reusing metals from various sources such as scrap, slag, dust, and residues. It also manufactures high quality and durable metal products that can be recycled at the end of their life cycle
	● Business models for recycling	Helping customers increase their recycling rate by implementing circular economy contracts (e.g., recycling contracts)
	● Waste recovery—use of by-products within voestalpine or selling them to other industries	Recycling of residues from the refining process (e.g., ferrous material flows), overall increase in resource utilization at voestalpine, reduction in waste at voestalpine, and primary resource requirements in other industries

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Adaptation of processes and the value chain	>>	●●●●	Environment Internal departments (e.g., Procurement)
	Establishment of cooperation partnerships Strengthens innovative strength	>>	○●●●	Customers Suppliers Industrial associations
	Adaptation of processes and the value chain Development of new business models	>>	●●●●	Customers Industrial associations

Key

- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- >>> Upstream
- >> Own operations
- >>> Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E5-1 – Policies related to resource use and circular economy

Circular economy policy

This circular economy policy takes into account the external requirements of customers, markets, regulatory frameworks, and society, as well as the challenges posed by a volatile commodity and energy market. It also sets forth internal priorities to ensure the economic and sustainable use of resources.

voestalpine's circular economy policy revolves around several strategic priorities:

- Improving the life cycle assessment through sustainable process design across the entire value chain
- Ensuring the supply of raw materials in the long term and reducing dependence on individual countries
- Increasing resource efficiency by optimizing material use and minimizing waste
- Supporting the achievement of voestalpine's sustainability targets and increasing security of supply for customers
- Exploiting economic potential and new business opportunities in relation to the circular economy

Progress is currently being made on upgrading the existing circular economy policy into a Group-wide circular economy strategy that defines strategic targets and measures for material cycles and resource efficiency. Quantitative targets such as recycling rates, zero-waste targets, and energy consumption will be set and strategic initiatives defined in the new strategy.

As an essential component of the Group-wide circular economy strategy that remains to be developed, voestalpine has already implemented activities for the recycling of material flows and has developed a comprehensive waste management policy. These initiatives will form the basis for the future strategic orientation and advancement of the Group's circular economy.

One important aspect of the circular economy policy is voestalpine's approach to recycling, which aims to return internal and external scrap (new scrap/pre-consumer and post-consumer scrap) to production. The recycling initiatives cover the whole value chain—from the sourcing of raw materials to the return of recycled materials to production. voestalpine works in close partnership with its global suppliers and customers.

A particular challenge posed by recycling post-consumer scrap lies in maintaining the quality of the metal in the recycling process. This requires careful collection, sorting, and processing to ensure the scrap can be reused as a high-quality raw material.

The further expansion of scrap circuit loops and the increasing use of internal and external scrap in steel production is expected to improve the use of secondary resources. Use of scrap in crude steel production is also to be increased by 50% by 2030. In addition, extending the product service life through closed product and service cycles and reprocessing of tools and installations helps to reduce primary raw material requirements.

voestalpine works closely with its customers to close material loops. The aim is to increase their recycling rates and to increase the share of recycling and the use of secondary raw materials in general.

In terms of by-products from metallurgical processes, such as blast furnace slag (metallurgical slag), the policy envisages processing and use as secondary raw materials in the company's own installations or other industrial sectors.

Another important aspect of the circular economy policy is voestalpine's zero-waste policy, which aims to minimize or prevent waste as much as possible. In concrete terms, the policy calls for:

- A reduction in waste and landfill volumes, in particular more internal recycling of recyclables
- A reduction in the use of primary materials by introducing more secondary raw materials and recycled materials into the production cycle
- Ensuring the proper treatment of waste through binding agreements with external partners in line with the state-of-the-art technology
- Electronic monitoring and accounting for waste streams to ensure transparency and legal compliance

Environmental management systems

The circular economy, sustainable sourcing, and resource-efficient products and services constitute key elements of voestalpine's sustainability strategy. Work on these topics is supported by ISO 14001 or EMAS environmental management systems (see E2-1). A corresponding environmental management system is already in place at the majority of companies that have a significant impact on the environment from a Group perspective. At present, this covers 86% of the manufacturing companies responsible for 98% of voestalpine's production volume.

Business models for recycling
The voestalpine Group strives to establish and further expand its business models to facilitate recycling. The High Performance Metals Division (HPM), for example, has developed the divisional InSPire policy. As part of this policy, customers are able to participate in sustainable initiatives, while suppliers and partners are motivated to help shape transformation processes.

In terms of the circular economy, HPM focuses on material and scrap cycles, alternative sources of raw materials, recycling by-products, and zero waste. The Climate Impact unit focuses on decarbonization, environmentally-friendly energy, and energy efficiency. The social commitment of the division is reinforced under Social Impact, while sustainability competencies of employees are systematically improved under the Sustainable Sourcing field of action. Here, the focus is on providing transparency with regard to raw materials and procurement in general as well as reducing emissions.

Sustainable procurement
Raw materials are sustainably procured on the basis of the Group's Procurement Policy, which ensures that materials, including raw materials, are obtained in an environmentally friendly, ethical, and socially responsible manner.

In concrete terms, this involves:

» Supplier assessments and on-site audits to ensure compliance with sustainability criteria
» A revised Code of Conduct for Business Partners that contains specific requirements for sustainable procurement and was adopted by the Management Board of voestalpine in 2023
» Ongoing raising of awareness among global business partners with regard to sustainability targets and requirements for transparency in the supply chain

More information on the Procurement Policy can be found in chapter S2-1 Policies related to value chain workers.

Innovation, research, and development
In order to optimize the use of resources, voestalpine continuously pursues product and process innovations to set new benchmarks in resource efficiency. Policies and action related to research, development, and innovation are described in the chapters I,R&D-1 Policies related to innovation, research, and development and I,R&D-2 Actions and resources related to innovation, research, and development.

POLICY OVERVIEW

IROs addressed	Policy	Core content	Scope of the policy	Responsibility and monitoring	Other comments
All IRO E5	Circular economy policy	Implementation of the circular economy principles (10R) in the Group Strategic priorities: improving environmental performance through a more sustainable process chain, ensuring the long-term supply of raw materials, and reducing dependency on individual countries, supporting the achievement of voestalpine's sustainability targets, and increasing the security of supply for customers, exploiting economic potential and new business opportunities in the field of the circular economy	Own operations to a partial extent Upstream and downstream value chain to a partial extent	Management boards of the divisions	» Consider external requirements of customers, markets, regulators, and society
All IRO E5	Environ-mental management system (see E2)	Environmental management system in accordance with ISO 14001, EMAS, or equivalent in place at production sites with material environmental impacts from a Group perspective and compared to Group-wide benchmarks, or production sites that make a material contribution to improving Group-wide environmental performance from a Group perspective Determination of how the organization can improve its environmental performance, fulfill its legal commitments, and achieve local environmental targets in line with the PDCA approach	Group manufacturing companies and sites	Management boards of the companies	» Regular compliance check as part of the PDCA cycle » Engage authorities and experts, if necessary direct representatives of neighboring communities
All IRO E5	InSPire policy (HPM)	Framework sustainability policy designed to integrate all sustainability pillars into daily activities to ensure lasting performance for current and future generations Key building blocks: circular economy, climate impact, sustainable sourcing, social impact, and sustainable business	High Performance Metals Division Upstream and downstream value chain to a partial extent	Managers in charge of InSPire	–
All IRO E5	Procurement policy	Provides the binding framework conditions for procurement and general regulation of the requirements and procedures in procurement Includes principles for sustainable procurement	Complete coverage of the upstream value chain Partial coverage of own operations Partial coverage of the downstream value chain (excl. use and self-pickup)	Procurement board	» Consider stakeholder analysis in policy » Communication to procurement@voestalpine.com

E5-2 – Actions and resources related to resource use and circular economy

As part of its zero-waste approach, voestalpine pursues numerous measures to promote its internal circular economy and the external recovery of residues and waste—both from its own production and processing facilities and plants as well as from the downstream value chain. For one, process management in the integrated steel mills is subject to continual improvement. For another, internally and externally generated material flows as well as residual products and waste such as scrap and plastic are re(used) in the production plants.

Priorities for action

voestalpine has modeled its circular economy policy on the ten principles of circular economy (10R), with three main areas of focus—narrowing the loop, slowing the loop, and closing the loop.

Loops are narrowed by minimizing the use of resources, increasing energy and material efficiency, and avoiding waste.

By contrast, loops are closed by treating and recycling raw materials and other materials in order to reduce the use of primary raw materials.

OVERVIEW OF ACTIONS

IROs addressed	Action	Core content and expected results
All IRO E5	Metal recycling—using scrap as a resource	Reprocessing and reuse of internal process scrap and external pre- and post-consumer scrap Reintroduction of scrap, including rail scrap, to production Expansion of closed scrap cycles to increase the use of secondary raw materials Increase in the use of internally generated and external scrap in steel production Expected results: » Reduction in primary raw material requirements » Increased resource efficiency and promotion of circular economy » Optimized material use and minimized waste
All IRO E5	Package of stakeholder engagement measures	Project to increase circular economy, zero-waste activities, energy recovery, and efficiency as well as the use of renewable energy and alternatives to natural gas Expected results: » Reduction in waste and increased circular economy » Reduction in energy consumption and GHG emissions

Below you can find examples of action taken by voestalpine:

- Increasing the use of scrap metal and ensuring economic supply by expanding closed loops with European automotive OEMs, suppliers, and railway operators for high-quality scrap metal and with tool manufacturers for higher-alloy steels
- Optimizing the utilization of waste generated as well as the treatment and recycling of associated streams such as scale, slag, sludge, and other metallurgical by-products
- Securing the supply of critical alloying elements by developing alternative secondary raw material sources, including battery recycling and the recovery of valuable materials from production processes (e.g., sludge and dust fractions)
- Increasing the share of secondary materials in products
- External marketing of secondary raw materials, in particular slag, in order to make the best possible use of industrial secondary raw materials
- Reducing waste treatment and disposal, e.g., landfill volumes, through recycling and reuse in production, and processing processes
- Recovering energy using waste heat from production processes, both for internal demand and for supplying to district heating
- Efficiently using process gases as energy carriers in the individual process stages, thereby reducing the need for primary energy

The measures for the scrap circular economy are mainly undertaken in the Steel Division and Metal Engineering Division as part of the transformation of production processes for decarbonization efforts, and in the Metal Forming Division. Production in the High Performance Metals Division is already largely scrap-based. Projects are in place across all divisions to promote circular economy, preventing waste, and increasing energy efficiency. The actions therefore extend across the entire voestalpine Group.

	Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
	By 2030 depending on project	Entire upstream value chain	Management boards of the divisions	The means of achieving this initiative are accounted for in the greentec steel program and are included in E1 as part of the Climate Transition Plan	- Stakeholder consideration through extensive adaptation of the business model to maximize the circular economy - Active collaboration with customers with regard to circular economy agreements
	Up to 2030	Own operations Covered by the upstream and downstream value chain to a partial extent	Managers in charge of InSPire	–	–

METRICS AND TARGETS

E5-3 – Targets related to resource use and circular economy

The voestalpine Group has set itself the voluntary target of increasing the use of scrap in crude steel production by 50% in its own operations by 2030. The aim is to increase the use of secondary raw materials and reduce the reliance on primary raw materials. This target falls under the third of the five stages of waste hierarchy under the EU Waste Framework Directive (2008/98/EC), namely recycling, as scrap is recycled as a raw material and reintroduced into the production loop.

As the increased use of secondary raw materials optimizes the efficiency of the material cycle and reduces waste generation, this target is directly linked to improving the circular material use rate. Focusing on recycling scrap is crucial when it comes to reducing the use of resources and promoting a circular economy.

Another contribution to the achievement of this target is the planned technological transformation over the course of decarbonization, which requires a fundamental adaptation of the materials and circular economy, in particular through the increased use of secondary raw materials.

Specific methodologies and assumptions based on internal analyses and scientific evidence related to the voestalpine greentec steel program were used to define the objectives. Along with other factors, these include the interaction between the circular economy and GHG emissions, and the availability and quality of scrap as a secondary raw material. Significant assumptions have also been made with regard to technological advancements and the market availability of scrap, which are accounted for in the set targets. A stakeholder process was taken into account as part of the target setting process.

The plan to increase the use of scrap will be reviewed at specified intervals to ensure that progress is being made in line with the envisaged targets. Progress monitoring includes the identification and reporting of the scrap used in crude steel production on a regular basis.

Circular systems were rolled out at the sites with integrated steel mills in Linz and Donawitz. These systems make it possible to recover, treat, and reuse valuable materials so that the material streams can be returned to the processes.

The planned technological transformation over the course of decarbonization requires a fundamental adaptation of the materials and circular economy. One of the important aspects of this transition lies in increasing the use of secondary raw materials.

The divisions have also set divisional targets for resource use and circular economy, for example within the framework of the InSPire policy.

TARGET: USE OF SCRAP IN CRUDE STEEL PRODUCTION

KPI	Scrap use
UNIT	% in scrap use

BASE VALUE	STATUS	TARGET VALUE
2.25 million t Calendar year 2023	**+0.3%** Business year 2024/25	**+50%** Business year 2029/30

Responsibility and monitoring	Management boards of the divisions
Scope	Own operations; Upstream and downstream value chain to a partial extent
Stakeholders	Customers, state, authorities, shareholders, society
IROs addressed	All IROs from E5
Reference to policy	All policies from E5

E5-4 – Resource inflows

As a producer of iron and steel products, voestalpine's main resource inflows are iron carriers such as ore, pellets, scrap, as well as the reducing agents coal, and coke. The following sections describe the main materials used in more detail.

Raw material:

Iron ore

Iron ore is the key raw material for the production of crude steel through the blast furnace route and also plays a role in combined production involving direct reduction processes and an electric arc furnace (EAF).

Coking coal

Coking coal forms the basis for the production of metallurgical coke and is therefore an important reducing agent. A reducing agent is a substance that removes oxygen from an ore and thereby converts the oxide into a metal. As part of the blast furnace route, coke, among other elements, reduces the iron oxide in the iron ore to produce pig iron. In addition, metallurgical coke provides the energy required for the blast furnace process.

Steel scrap
Steel scrap is highly important for both the oxygen converter (BOF) and electric arc furnaces (EAF). While the use of scrap in the BOF is limited by the metallurgical process conditions, an EAF can be operated with higher scrap use (up to 100% scrap) depending on the required product quality. Some of the scrap used is internally generated circular scrap from our own production, which is reintroduced to the process. Scrap is also produced during steel processing, for example during stamping processes in the automotive or white goods industry, and is then reintroduced into the materials loop as pre-consumer scrap.

Alloys
Different alloys make it possible to achieve specific steel properties. Important alloying elements include chromium, nickel, manganese, molybdenum, and vanadium, which give steel strength, hardness, corrosion resistance, and heat resistance, among other properties.

Water
Water is an important operating and auxiliary resource in the entire production and manufacturing process at voestalpine. It is used to cool the units, as process water, and to generate steam used for energy. For more information on water, please refer to chapter E3 Water and marine resources.

voestalpine's RESOURCE INFLOWS

	2024/25
Overall total weight of products and technical and biological materials used (t)	10,370,906
Percentage of biological materials (%)	0
Overall total weight of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the company's products and services (t)	1,162,539
Percentage of materials reused for manufacturing (%)	11

Resource inflows are quantitatively analyzed on the basis of a database, which is also used to analyze other environmental metrics and to calculate greenhouse gas balance. The majority of the metrics reported for this database are obtained from direct measurements taken by the companies or verifiable data on quantities provided by the suppliers. In individual cases, quantities are extrapolated from previous years' figures.

The predefined query structure for data collection helps to prevent double counting.

E5-5 – Resource outflows

Products and materials

As a steel and technology group, voestalpine offers a wide range of products and system solutions for various industries. These products are produced in four divisions with different focuses:

Division	Business Unit	Products	Circular properties
Steel	Strip	High-quality steel strips	High durability; up to 100% recyclable; recycled through scrap cycles
	Heavy Plate	Heavy plates	Durable; repairable; recyclable
	Foundry	Cast products	High recyclability through recycling in steel production
High Performance Metals	Production/ Value Added Services	Tool steels, high-speed steels, copper and aluminum alloys, nickel-based alloys, valve steels, machine steels, special steels, titanium products, services	Reprocessing to extend service life; complete recycling possible
Metal Engineering	Railway Systems	Rails, switches, signaling	Durable; repairable; reprocessable; long life; interchangeable thanks to modular design; recyclable
	Welding	Complete welding solutions	Recyclable base materials
	Wire Technology	Quality wires	Reusable; recyclable; durable
	Tubulars	Seamless tubes	Durable; repairable; up to 100% recyclable
Metal Forming	Tubes & Sections	Profile and tube products	Reusable; recyclable; long life
	Automotive Components	Ready-to-install system components made of pressed, stamped, and roll-formed parts	Designed for disassembly and recycling; modular design
	Precision Strip	Precision strip steel	High durability; recyclable
	Warehouse & Rack Solutions	Warehousing technology	Modular expandability and reusability

As voestalpine predominantly manufactures intermediate products that are further processed by its customers, a direct assessment of the final quality and associated statements on durability, reusability, and recyclability are only possible to a limited extent. For example, the same material, such as a heavy plate, can be installed in a ship's hull, a bridge, or a wind turbine, resulting in vastly different service lives. In general, however, steel products are long-lasting, highly repairable, and fully recyclable and can be reintroduced into the steel production process as scrap.

Depending on their application, steel products can have a service life of a few years to several decades. Regardless of the service life, steel products can theoretically be fully recycled time and again. Due to material losses in the closed circuit, it is currently assumed that substitution potential stands at 95%.

Compared to the products themselves, their packaging is of negligible relevance to voestalpine: packaging is assumed to make up less than 1% of the overall product weight.

Waste
Steel production and the further processing of steel products generate various waste and recyclable materials, most of which can be reused in voestalpine's operations or recycled in other industries. If recycling is not possible for quality reasons or due to legal regulations, waste is treated and disposed of in line with the pertinent legal requirements.

Typical waste streams in the iron and steel sector:

- **Slag** is primarily a mineral phase composition produced in iron and steel production that can be used or disposed of in other industrial sectors, depending on the legal requirements for the material stream. For particular use cases, slag can also be classified as a by-product
- **Dusts** may contain metallic and non-metallic particles and are produced during exhaust gas purification, e.g., in dedusting plants
- **Sludge** produced by the wet scrubbing of exhaust gases and in the treatment of process and waste water, for example, and consisting of various mineral phases and/or metallic components
- **Scrap and ferrous materials,** such as metal residues, scale (oxidized metal particles) and other ferrous waste, which are largely reused

At Group level, a survey of all metrics relevant to the environment takes place on an annual basis on an online reporting system. Waste-specific data is collected by local experts, and entries are made in accordance with national requirements and definitions of waste types. The majority of the reported waste generation is based on direct volume measurements, which are also required by local regulations.

RESOURCE OUTFLOWS 2024/25

In tons	Hazardous waste	Non-hazardous waste
Waste diverted from disposal (re-use)		
Treated for re-use	5,019	15,237
Recycling	7,027	106,661
Other recovery processes	88,341	639,967
Total	100,387	761,865
Waste disposed of		
Incinerated	2,804	4,552
Landfill	12,153	100,146
Other form of disposal	78,526	350,511
Total	93,483	455,209
Total amount of waste generated	193,870	1,217,074
Share of non-recycled waste (in %)	48	37
Of which radioactive waste	0	–

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the metrics used; description of the assumptions and methodology	
E5-4 Resource inflows	31c	Weight of reused or recycled secondary components, intermediary products, and materials (including packaging)	The parameters are based on data collected internally and have been converted to the BY for reference factors	
E5-5 Resource outflows	37a	Total amount of waste generated		
E5-4 Resource inflows	31b–c	Biogenic and recycling content of resource inflows		
E5-4 Resource inflows	31a	Material input		
E5-5 Resource outflows	36a	Product longevity		
E5-5 Resource outflows	36c	Recyclable content		

	Where applicable: description of the sources of measurement uncertainty	Resulting level of accuracy	External validation	Where applicable: measures planned to improve accuracy
	Measurement uncertainty of internal data collection systems and estimate for quarters	High (+/–3%)	None	Ongoing development and expansion of data collection and evaluation

I,R&D INNOVATION, RESEARCH, AND DEVELOPMENT

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	
Innovation, research, and development	●	Production innovations	voestalpine invests in research and development to create new processes, technologies, and products to promote the sustainability and provision of innovative products and materials (including hydrogen-based steel production and carbon capture, storage, and utilization technologies), e.g., through the use of hydrogen, plasma technology, and similar technologies as part of the greentec steel program	
	+	USP based on product differentiation	Successful product innovation can strengthen voestalpine's market position and financial performance with measures such as obtaining certification for low-carbon or zero-carbon steel from individual locations (compared to mass balance approach)	
	+	Increasing recycling efficiency through technological innovation	Introducing innovative technologies into the recycling process could increase efficiency and further improve the recycling rate in order to achieve cost savings	
	+	Breakthrough technology applications (e.g., HYFOR)	Successful application of SuSteel and/or HYFOR technologies to maintain high product quality (vs. use of EAF technology)	
	!	Ensuring product quality with increased use of scrap	Risk of declining product quality due to higher use of scrap (BF-BOF vs. EAF route)	

	Impact on strategy and business model	Value chain	Time horizon	Affected stakeholders
	Adaptation of central production facilities, technologies, and processes Strengthens innovative strength Extensive adaptation of the business model	»»	●●●●	» Educational institutions and research » Customers
	Transformation of the product portfolio Strengthens innovative strength	»»	○●●●	» Educational institutions and research » Customers
	Adaptation of central production technologies as well as the value chain and processes Strengthens innovative strength	»»	○●●●	» Educational institutions and research » Customers
	Adaptation of central production technologies as well as the value chain and processes Strengthens innovative strength	»»	○●●●	» Educational institutions and research » Customers
	Adaptation of key production facilities and technologies, as well as the value chain and processes Continuous risk management	»»	○●●●	» Customers

Key

- ● Actual positive impact
- ● Actual negative impact
- ○ Potential positive impact
- ○ Potential negative impact
- \+ Opportunity
- ! Risk
- »» Upstream
- »» Own operations
- »» Downstream
- ●○○○ < 1 year
- ○●○○ 1–5 years
- ○○●○ 5–10 years
- ○○○● 10+ years

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

I,R&D-1 – Policies related to innovation, research, and development

As key elements of voestalpine's strategy, Research and Development (R&D) and Innovation make a significant contribution to the company's position as a leader in innovation, technology, and quality. The R&D strategies aim to ensure the long-term economic success of the company through innovative processes and sustainable products.

voestalpine's decentralized R&D organization is underpinned by strategic innovation guidelines, a defined innovation process, and the alignment of research projects with the phased implementation of CO_2 emission reduction technologies to achieve net-zero CO_2 by 2050. As research cannot be considered in isolation, no measurable and specific outcome-oriented targets have been set for research and development at this stage (see chapter I,R&D-3 Targets related to innovation, research, and development). A comprehensive realignment of the R&D strategy is planned from the business year 2025/26.

Policies related to innovation, research, and development are not based on external statements or principles, and there are no available frameworks or standards on which this report is based with the exception of MDR-P from the ESRS standard. The geographical area and scope of the policies encompasses all of the Group companies around the world active in R&D. The strategies are communicated internally through the R&D network, namely at internal events and on the Group-wide intranet. The strategies are communicated to external stakeholders, such as customers or applicants, for example at presentations or on company websites.

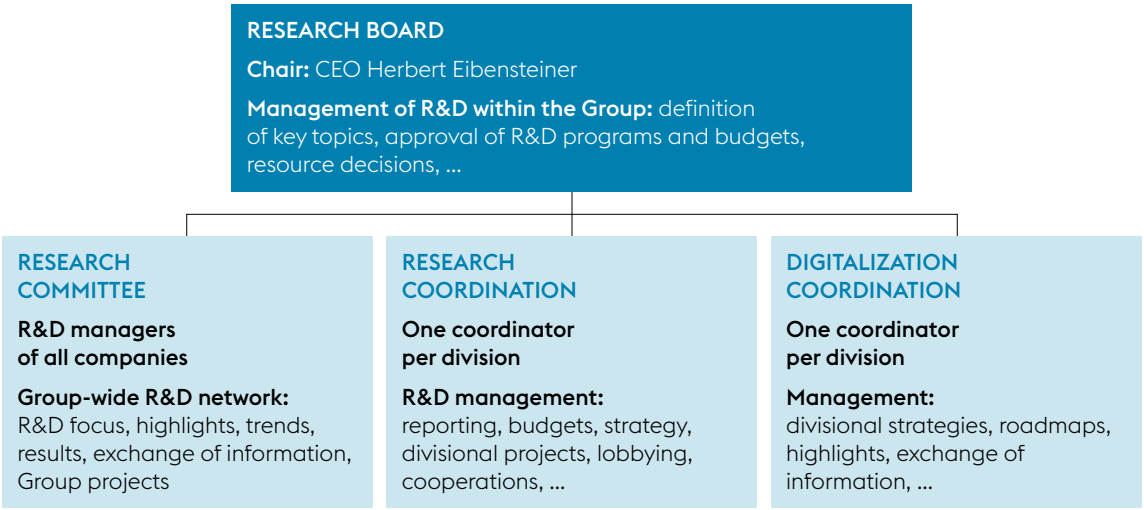
Organization of innovation, research, and development at the voestalpine Group

Research and development at the voestalpine Group is organized in a decentralized manner in order to ensure close links are maintained with the respective companies, their production, and quality control as well as with the market and customers. The global research network with more than 70 locations is centrally controlled from Linz by the Research Board and Research Coordination.

The Research Board, which is composed of the members of the Management Board of voestalpine, the divisional technical directors and the Head of Group Development, meets twice a year. It coordinates the Group and divisional innovation roadmaps, thereby setting the research priorities. The research activities within the divisions are led by an R&D coordinator, while digitalization agendas that involve R&D are managed by the divisional digitalization coordinators. The respective steering committees meet quarterly. The Research Committee is primarily composed of the research managers at companies and business units that engage in R&D, and provides a format for the sharing of information between the individual divisions as well as strengthening synergies across divisional boundaries. The Research Committee and Research and Digitalization Coordination are chaired by the Group Head of Research.

Strategic R&D management plays an overarching role within the organization. One of its core tasks is to represent the Group in matters concerning R&D, research policy, and public relations. Other activities include the coordination of committees and steering groups, the preparation of the R&D strategy, and active patent, literature, and funding management. The Group's research organization is complemented by cooperation with external scientific partners.

R&D IN THE voestalpine GROUP



The decentralized organization of research activity in the voestalpine Group makes a significant contribution to strengthening USPs through product differentiation. Each research site has specific core competencies, which enables a diverse product range. In addition, the pooling of expert knowledge at selected locations promotes the development of production innovations that are geared toward a sustainable society.

Strategic innovation guidelines

voestalpine's R&D strategy is derived directly from the Group strategy. The following six Strategic Innovation Guidelines underline the importance of R&D in the company and its contribution to the sustainable and successful development of voestalpine:

1. **From the idea to implementation—working together for success**
   Research activities are subject to a standardized and cross-departmental innovation process and managed using transparent innovation roadmaps, more information on which can be found under "Prioritized innovation roadmaps." The highest priority is given to the Group's key issues and the needs of customers.

2. **Fostering the best ideas and creating USPs along the value chain**
   By creating unique selling points, not only does voestalpine increase its own competitiveness, but also that of its customers. Specific projects are prioritized and allocated the appropriate resources. Each project is analyzed transparently to determine the benefits it brings and projects with little promise are canceled.

3. **R&D projects aim to achieve sustainability**
   The sustainability of research projects is accounted for throughout the value chain—starting with the (secondary) raw materials, the production processes in the company, and further processing by customers through to use by end consumers. The main focus is placed on energy and resource efficiency as well as saving greenhouse gases.

4. **Active know-how management, both internally and externally, is the key to success**
   The protection of important know-how against external misuse is achieved, among others, through active patent management. Synergies are created and used within the company through Group-wide knowledge sharing.

5. **Decentralized R&D forms a global voestalpine network**
   In the voestalpine Group, more than 70 locations are involved in research and development. Decentralized R&D locations allow us to maintain proximity to our customers and local production. Research projects are centrally managed from our headquarters in Linz. This central organization ensures equipment and resources are allocated according to requirements, coordinates cooperation, and optimally utilizes synergies within the Group. Numerous partnerships with universities, colleges of applied sciences, and centers of expertise constitute an important supplement to internal R&D network.

6. **Obtaining the best researchers for voestalpine**
   Employees are key to the success of R&D and innovation. Targeted training measures are employed promote their individual strengths and interests. Actively engaging with young talent at schools and universities strengthens our future employees early on.

The strategic innovation guidelines, in particular the first three, focus in particular on product innovation to achieve a sustainable society and the creation of USPs through product differentiation. When formulating the guidelines, the interests of various stakeholders, including customers, employees, and applicants, as well as the Management and Supervisory Board, were taken into account through measures such as dialogues, cooperation, and events.

Prioritized innovation roadmaps

All R&D activities are aligned with the voestalpine Group strategy, which is geared toward current and relevant megatrends. These activities are assigned to the research priorities of the individual divisions and summarized in the prioritized innovation roadmaps. Each topic focus is broken down in more detail in the corresponding roadmaps of the divisions, companies, and business units until the topic is split up at individual project level. The innovation roadmaps depict development projects and programs with a time horizon of 10 to 15 years.

Preparation of the prioritized innovation roadmaps falls under the responsibility of the R&D coordinator of each division. Once complete, the roadmaps are coordinated with the members of the Management Board in charge of the divisions on the divisional boards. This is followed by annual approval

by the Group Management Board in the research board. The prioritized innovation roadmaps—available for all companies that engage in R&D in the individual divisions—aim to define medium and long-term innovation priorities in terms of product and process development and to provide the necessary resources (see IROs of production innovations). With this, voestalpine is able to help shape new market trends and establish successful product innovations (see IROs of USP through product differentiation). The roadmaps take into account the needs of customers and markets along with any new legal requirements and standards.

R&D strategy for modular implementation of new technologies to achieve decarbonization targets

In order to achieve the decarbonization targets, the R&D strategy pursues a three-pronged approach to prepare for and accompany the Group's decarbonization strategy:

- In the first stage, the existing blast furnace processes are optimized to minimize CO_2 emissions and to ensure the efficient use of by-products

- Progress is made on the electrification of processes in the first expansion step. Intensive research activities are required to facilitate the commissioning and successful operation of the electric arc furnaces at the sites in Linz and Donawitz. These activities include test melts, the development of alloy concepts as well as simulations and modeling. Research is focused on upholding our ability to continue producing the highest quality steel grades even after the process route has been changed in order to counteract the risk of decreasing product quality due to a higher use of scrap material in the EAF route. Due to increasing demand for scrap metal, research is needed to make the most efficient use of available resources and to tap into new sources, such as post-consumer scrap, for example through closed loops with customers

- In order to achieve the net-zero CO_2 target by 2050, new technologies must be developed and brought to market in addition to electric arc furnaces. These breakthrough technologies include SuSteel (Sustainable Steelmaking) and HYFOR (hydrogen-based fine-core reduction), which are already delivering initial results on a pilot scale. The further development and especially the implementation of these methods are research and resource intensive, requiring comprehensive basic research

This research strategy takes into account the interests of management, legislators, customers, and residents near the location and in communities neighboring the steel-producing companies, whose emissions are gradually reduced as a result.

POLICY OVERVIEW

IROs addressed	Policy	Core content	Scope of the policy	Responsibility and monitoring	Other comments
Production innovations USP based on product differences	Strategic innovation guidelines	Description of the orientation of research and development activities within the voestalpine Group, including the areas of active know-how management (internal and external), the organizational structure of R&D (central management and decentralized R&D departments), and sustainability in individual projects	Own operations Downstream value chain to a partial extent (in line with customer requirements)	Head of Group-wide Research & Development and Innovation	» The interests of customers, research institutions, employees, and candidates are taken into account » External communication, e.g., at presentations
Increased recycling efficiency through technological innovation	Prioritized innovation roadmaps of the divisions	Summaries of R&D activities are translated into prioritized innovation roadmaps, whereby topics in the development pipeline are considered at the project/program level with a future time horizon of 10 – 15 years	Own operations to a partial extent Downstream value chain to a partial extent (customer innovations)	R&D coordinator of the divisions Approval in the annual research board under the leadership of the CEO	» The interests of customers, research institutions, universities, and management are taken into account » External communication, e.g., at presentations
Applications of breakthrough technologies (e.g., HYFOR) Ensuring product quality with increased use of scrap	R&D for modular implementation of new technologies to achieve net-zero by 2050	Support for the Group-wide decarbonization strategy through a phased approach to achieving net-zero by 2050 Steps include research initiatives to electrify processes (e.g., through EAF), development of breakthrough technologies such as SuSteel and HYFOR, and ensuring product quality	Own operations Downstream value chain to a partial extent (in line with customer requirements)	Project managers of R&D sub-projects Approval in the annual research board under the leadership of the CEO	» The interests of customers, legislators, neighbors and neighboring communities, and management are taken into account » External communication, e.g., at presentations or through Group-wide communication on decarbonization

I,R&D-2 – Actions and resources related to innovation, research, and development

Research projects derived from the innovation roadmaps constitute the actions taken in the field of innovation, research, and development to address the related impacts, risks, and opportunities (IROs). For the business year 2024/25, five actions or packages of actions have been identified that will contribute in particular to achieving the projects and objectives of the strategies related to R&D and innovation. Packages of actions refer to a set of several individual R&D projects that contribute to the fulfillment of an overarching priority topic.

Due to their high strategic relevance, two of these actions are also being managed as Group projects. In addition to individual projects, which are usually handled by a team of researchers who are assigned to a company or business unit in organizational terms, division-wide competencies are pooled

in Group projects. Group projects address strategically important issues and are associated with high project costs and a higher project risk. This targeted cooperation accelerates implementation, thereby increasing efficiency. The following Group-wide R&D projects were undertaken in the business year 2024/25:

» Sustainable processes (project duration November 1, 2021 to October 31, 2024)
» Sustainable products (project duration December 1, 2022 to November 30, 2025)
» Simulation of complex (supply chain) networks (project duration April 1, 2024 to March 31, 2028)

In line with the voestalpine standard on monitoring the progress of Group research projects, the implementation of actions is monitored as follows:

i) The definition of targets such as acquiring expertise, future income, or sales
ii) Project controlling by a steering committee (quarterly)
iii) Status report to the Management Board within the framework of the Research Board (annual)

A defined monitoring process applies to all projects that are not managed within the scope of Group projects: Monitoring of the implementation of the described actions is carried out within the scope of progress reporting for the entire R&D project portfolio. Milestones are defined and their achievement is monitored within the framework of project management and project controlling. Content, scheduling and cost aspects are taken into account in the process. If milestones are not reached, adjustments are made or the projects are prematurely stopped.

The actions and packages of actions are explained in detail below and are discussed with regard to impacts, risks, and opportunities. The stated R&D expenses are solely OpEx costs and the implementation of the projects is not subject to any preconditions. A total of EUR 19.36 million was spent on the R&D projects in the past business year as a result of the actions listed above. This corresponds to 8.85% of total gross R&D expenditure. Similar levels of expenditure are also planned for the upcoming business year to ensure the ongoing implementation of planned projects.

R&D for sustainable products and Group project "Sustainable Products"
The Group project "Sustainable Products," which was launched on December 1, 2022 and is scheduled to run for three years, contains 22 sub-projects focused on energy and mobility, products for agriculture and the food industry, and aspects to optimize products in the use phase. A total of 25 Group companies from all divisions are involved in the implementation of this action. Overall project management and coordination falls under the remit of the Metal Forming Division, which is also the division most involved in the sub-projects. By pooling expertise, sustainable products can be brought to market in a relatively short period of time and generate sales within a few years. Examples of sub-projects include the development of complete process chains for high-quality tool repair, on which researchers from the High Performance Metals Division are working, and the further development of fences for wildlife protection in the Metal Forming Division. A budget of EUR 33.7 million will be made available over the entire duration of the project. The R&D expenditure for all sub-projects came to EUR 8.40 million in the business year 2024/25.

R&D for greentec steel—experimental melting, dynamic alloying, and active interventions in production processes

The production of steel grades of consistent quality even after the transition from the blast furnace to the electric arc furnace route poses a major challenge, especially for the high-quality automotive and wire rod segments. The increasing proportion of scrap in the input material leads to an increase in the level of accompanying elements, which has direct impacts on mechanical properties such as the strength, ductility, and hardenability of the end product. R&D therefore focuses strongly on determining the relationship between the steel grade, the mix of input materials, and the resulting product characteristics.

The package of R&D actions for greentec steel, primarily processed by the Metal Engineering Division and the Steel Division, comprises the following focal points:

i) **Experimental melts and experimental programs (Metal Engineering and Steel Division)**
The influence of the level of accompanying elements on the physical and chemical properties can be investigated through the targeted production of melts with a defined composition. These studies provide the basis for further experimental activities.

ii) **Dynamic alloying (Metal Engineering and Steel Division)**
Since the exact composition of the scrap is known only after melting in the electric arc furnace, metallurgical counter-measures are necessary during the process. Dynamic alloying allows the alloy quantity to be adjusted so that the final properties of the product remain within specified limits.

iii) **Forecast-driven process adjustments (Steel Division)**
Not only the material composition, but also the processing parameters have a significant influence on the final properties of the product. By purposefully adapting the process parameters in the last property-determining step, namely the annealing furnaces, material properties can be adapted to the specified limits.

Since 2021, the transition of the production routes on electric arc furnaces in Linz and Donawitz has been accompanied by intensive research. By the time the first electric arc furnaces are commissioned in 2027, the first intensive phase of R&D is scheduled to be completed. However, research activities to maintain product properties will continue in the years that follow.

The package of actions mitigates the risk of decreasing product quality due to the transition from the blast furnace route to the electric arc furnace route. The described R&D activities can minimize this risk, which is based on physical/chemical principles. The ability to react rapidly to the composition of input materials, in particular the proportion of accompanying elements in scrap, also improves recycling efficiency through technological innovation. A total of EUR 9.26 million was spent on the individual R&D projects for this key research focus in the past business year. After completion of the preliminary work in the first year of the project, higher R&D expenses have been earmarked for the upcoming years.

Simulation of complex networks and post-consumer scrap
Scrap is already playing an essential role at voestalpine's production sites. Due to the limited availability of high-quality steel scrap on the world market, research activities are necessary both to increase the efficiency of recycling processes, especially for old scrap, and to venture into new scrap markets. In particular, the conversion of process routes from blast furnaces to electric arc furnaces is accompanied by a sharp increase in scrap demand. The objectives of the "Simulation of complex networks" action, which is being implemented as part of a Group project since 2024, are to understand and visualize the supply chains relevant to the voestalpine Group, to simulate and optimize the flow of scrap as well as to simulate worst-case scenarios and develop remedies. The duration of the project is four years and EUR 0.22 million was spent on it in the business year just ended.

In other individual projects, the voestalpine experts are intensively researching the treatment and use of scrap, otherwise known as post-consumer scrap. Compared to new scrap, which is produced as waste during punching, for example, the use of post-consumer scrap, which is often mixed with other materials, can present a number of challenges. Composite materials and other non-metallic components need to be separated in a complex process before further processing. The KIRAMET project (artificial intelligence-based recycling of metal composite waste), for example, involves working with partners from academia and industry on AI-based solutions for processing these material flows. During the project period from 2023 to 2026, the aim is not only to increase the value added of secondary raw materials; networking between industrial companies will also enable holistic management of the recycling chain. In another flagship project, voestalpine is cooperating with a recycling company and a premium car manufacturer to close the loop for material cycles between the stakeholders.

Application of SuSteel technology and operation of the SuSteel pilot plant in Donawitz
Another trial project is currently being undertaken in the SuSteel (sustainable steel) test plant at the voestalpine Stahl Donawitz GmbH site: the production of crude steel using hydrogen plasma in a single process step. In this CO_2-free method, in which only steam is produced as a by-product, the intermediate stage of pig iron can be completely bypassed. In addition to voestalpine Stahl GmbH and voestalpine Stahl Donawitz GmbH, two long-term academic cooperation partners, namely K1-MET and the University of Leoben, are also involved in the implementation of this project.

In the past business year, R&D expenses of EUR 0.89 million were incurred for individual projects related to SuSteel technology. The SuSteel test plant, which has been successfully operating since 2021, demonstrates that the single-stage reduction of iron ores using hydrogen is an important alternative to fossil-based reducing agents such as coke, coal, or natural gas. The experimental findings on this breakthrough technology will also be of great importance, especially in the third stage of the successively implemented decarbonization plan to achieve net-zero CO_2 by 2050. The package of actions is based entirely on the IRO for the application of the HYFOR and SuSteel technology.

Application of HYFOR technology and operation of the HYFOR pilot plant in Donawitz
A HYFOR pilot plant is being operated at the voestalpine Stahl Donawitz GmbH site in partnership with partners from the worlds of industry and academia. HYFOR technology (hydrogen-based fine-ore reduction) enables the direct reduction of ultrafine ores using hydrogen without prior sintering or pelleting. This technology and the knowledge gained from the pilot trials will make it possible to process ultrafine ores primarily available on the world market. In a first step, hydrogen-reduced material from the HYFOR test facility was melted down together with scrap in a trial melt at the "Technikum Metallurgie," a metallurgy technical center, and a low-CO_2 bearing steel was produced that met the required quality standards. This demonstrated that it is possible to produce the same steel grades produced using conventional routes in this manner.

Accompanying this pilot plant, several individual R&D projects were carried out to create a database that can be used for later expansion into an industrial plant. In the business year 2024/25, the cumulative R&D expenses for these individual projects amounted to EUR 0.59 million. The R&D pilot HYFOR plant went into operation in 2021 and has been running successfully ever since. The findings obtained can be used to provide extensive scientific fundamental knowledge, in particular in the planned phase 3 of the modular implementation of R&D to achieve net-zero CO_2 by 2050. Starting in fall 2025, the world's first demonstration plant will be built at the voestalpine Stahl GmbH site in Linz. The plant will be able to combine hydrogen-based direct reduction for ultrafine iron ores using HYFOR technology with an electric melting process. This expansion step will result in a significant increase in R&D expenditure for this set of actions.

OVERVIEW OF ACTIONS

IROs addressed	Action	Core content and expected results
Production innovations USP based on product differences	Package of actions: R&D for sustainable products and Group project "Sustainable Products"	22 sub-projects on the focus topics of energy and mobility, as well as products for agriculture and food and aspects relating to the use phase Expected result: Development of sustainable products to achieve net-zero
Ensuring product quality with increased use of scrap	Package of actions: R&D for EAF/greentec steel: dynamic alloying, active interventions in the production process, and experimental melting	Research activities to ensure product quality after transition to EAFs Optimization of product properties in scrap through dynamic alloying Influencing of material properties by adjusting the process parameters, especially during annealing Targeted production of melts with defined composition to investigate physical and chemical properties and derive optimization actions
Increasing recycling efficiency through technological innovation	R&D Group project "Simulation of complex networks" and the use of post-consumer scrap	Build understanding and visualization of voestalpine-relevant supply chains, simulate and optimize scrap flow, simulate worst-case scenarios, and generate remedies Treatment and use of post-consumer scrap (old scrap)
Applications of breakthrough technologies (e.g., HYFOR)	Package of actions: Application of SuSteel technology and operation of the SuSteel pilot plant in Donawitz	Research on the CO_2-free production of crude steel in one process step using novel hydrogen plasma technology (Project SuSteel—Sustainable Steelmaking) at a pilot plant Implementation of the package of actions in partnership with scientific cooperation partners
	Package of actions: Application of HYFOR technology and operation of the HYFOR pilot plant in Donawitz	Research on HYFOR technology (hydrogen-based fine-ore reduction) at the pilot plant enables the direct reduction of ultrafine ores using hydrogen without prior sintering or pelleting Implementation of the package of actions in partnership with scientific cooperation partners

	Time horizon	Scope of the action	Responsibility and monitoring	Significant expenditure (if relevant)	Other comments
	December 2022 – November 2025	Own operations to a partial extent	Project managers of R&D sub-projects Management of Group project at MFD	EUR 8.40 million OpEx (Group project)	» Inclusion of customer interests
		Downstream value chain to a partial extent	Progress monitoring in line with the voestalpine standard		
	2021 – 2027 (Phase 1)	Own operations to a partial extent	Project managers of R&D sub-projects Managers responsible for R&D MED & SD	EUR 9.26 million OpEx	» Inclusion of the interests of customers and legislators
		Downstream value chain to a partial extent	Progress monitoring in line with the voestalpine standard		
	April 2024 – March 2028	Own operations to a partial extent	Group project management by divisional logistics management (SD) Project managers of R&D sub-projects	EUR 0.22 million OpEx (Group project)	» Inclusion of the interests of customers, suppliers, research institutions, and universities
		Upstream and downstream value chain to a partial extent	Progress monitoring in line with the voestalpine standard		
	Ongoing; Application particularly during Phase 3 of the Climate Transition Plan	Own operations to a partial extent	Project managers of R&D sub-projects Progress monitoring in line with the voestalpine standard	EUR 0.59 million OpEx	» Inclusion of the interests of customers, research institutions, and universities » Inclusion of the interests of customers, research institutions, and universities
	Ongoing; Application particularly during Phase 3 of the Climate Transition Plan	Own operations to a partial extent	Project managers of R&D sub-projects Progress monitoring in line with the voestalpine standard	EUR 0.89 million OpEx	

METRICS AND TARGETS

I,R&D-3 – Targets related to innovation, research, and development

In light of its overarching role within the voestalpine Group, research and development forms a link between Group-wide sustainability goals and process and product innovations. The findings from numerous R&D related actions not only affect quantifiable targets, but must also be considered in the context of manufacturing processes. Process innovations in relation to the green transformation contribute significantly to reducing CO_2 emissions; but the savings cannot be attributed exclusively to R&D. Success in setting up and further developing the circular economy at all voestalpine locations largely depends on progress in research and development. As it is not possible to view research as an isolated factor, no R&D-specific measurable and outcome-oriented targets have currently been defined. In the framework of the strategic process in the business year 2025/26, the definition of strategic targets for research and development is planned.

The effectiveness of the R&D projects set forth in the innovation roadmaps, which address material impacts, risks, and opportunities for voestalpine, is subject to a Group-wide guideline for assessing benefits. This ensures that all project benefits undergo consistent, transparent, and accountable monetary and non-monetary assessment, verification, and tracking in relation to R&D and innovation. As part of assessing benefits, a distinction is made between pre-project (ex-ante) and post-project (ex-post) evaluation. For projects that cannot be assessed in monetary terms, ex post checks are carried out to determine whether the planned intangible benefits have been achieved and whether the resulting projects have resulted in product or process developments. The knowledge gained in the course of this process is used to plan and manage future R&D projects in order to promote continuous improvement and strengthen the company's innovative power.

I,R&D-4 – Metrics related to innovation, research, and development

Researchers play a central role in the success of innovation, research activities, and development. In the business year 2024/25, 786 people at the various voestalpine sites conducted research on innovative products and improved processes on an ongoing basis. In doing so, they made a significant contribution to achieving the company's environmental objectives. The number of employees in R&D corresponds to the total number of employees (headcount) who are directly assigned to the R&D departments of the individual Group companies. Employees who are involved in R&D projects but assigned to other areas are not included in this figure. In recent business years, the number of employees in R&D and innovation has steadily increased.

The high number of employees in R&D is accompanied by high R&D expenditure (gross). In the business year 2024/25, EUR 218.89 million was spent on research and development activities, reinforcing the key role of these activities in the business model of the voestalpine Group. A significant proportion of R&D expenditure is invested in projects that increase the sustainability of voestalpine processes and products in the long term. A budget of EUR 241.27 million has been earmarked for R&D for the business year 2025/26.

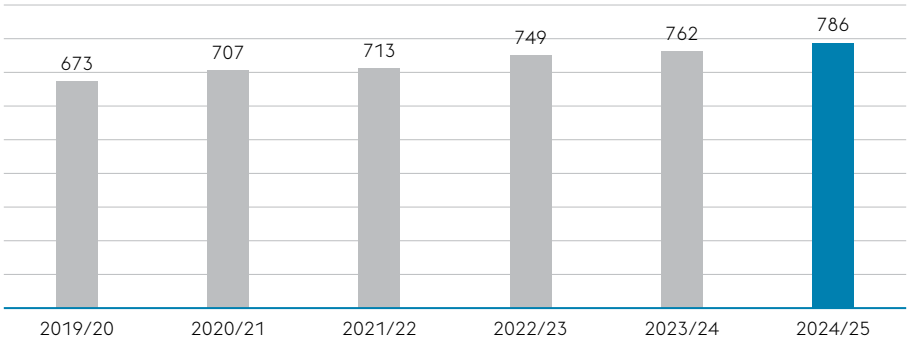
The entire R&D expense (gross) is calculated as the total R&D expenses (gross) of all companies active in R&D. R&D expenditure (gross) includes all expenses (directly attributable costs excluding VAT) for all R&D activities in the business year, which can be undertaken as part of the R&D program, regardless of whether they are carried out in the dedicated R&D departments or in other areas. These include

personnel costs (salaries) and direct expenses for R&D (such as material costs, travel costs, use of infrastructure, and third party costs). Depreciation on fixed assets and patent application and maintenance costs are not included.

No assumptions or estimates are made for the calculation of either parameter, there are no limitations and, due to the low complexity of the computation, no validation is performed by external bodies. The two key figures are recorded in the Business Objects Financial Consolidation (BOFC) consolidation tool. The responsibility for data entry lies with the respective consolidation tool officers in the Group companies. The accuracy of the data is verified by internal bodies (R&D managers and controlling) as part of a multi-stage review and approval process, and no external bodies are involved in the reporting.

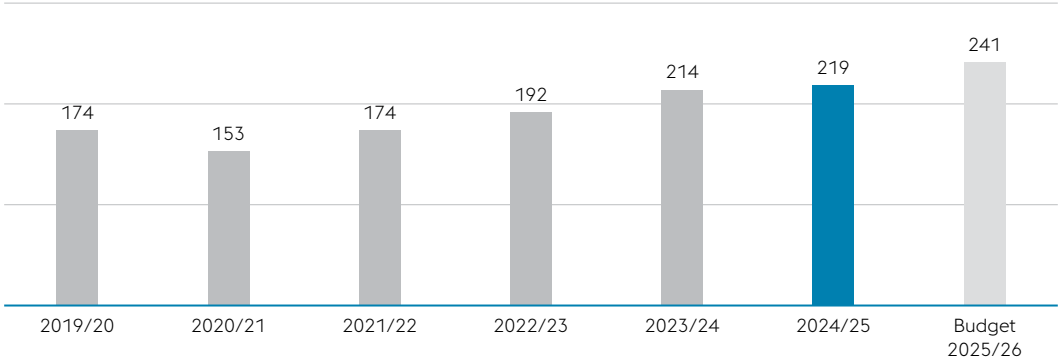
NUMBER OF EMPLOYEES IN RESEARCH AND DEVELOPMENT

Headcount, as of the March 31, 2025 reporting date



EXPENDITURE FOR RESEARCH AND DEVELOPMENT

In millions of euros



OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the metrics used; description of the assumptions and methodology	
I,R&D (company-specific topic)	–	R&D expense (gross)	Total R&D expenses (gross) of all companies active in R&D. R&D expenditure (gross) includes all expenses (directly attributable costs excluding VAT) for all R&D activities in the BY, which can be undertaken as part of the R&D program, regardless of whether they are carried out in the dedicated R&D departments or in other areas	
I,R&D (company-specific topic)	–	Number of employees in R&D	The number of employees in R&D corresponds to the total number of employees (headcount) who are directly assigned to the R&D departments of the individual Group companies	

	Where applicable: description of the sources of measurement uncertainty	Resulting level of accuracy	External validation	Where applicable: measures planned to improve accuracy
	Limited—data represents the individual companies	High	No	–
	Limited—data represents the individual companies	High	No	–