voestalpine has implemented a series of control mechanisms to minimize risks in sustainability reporting to the greatest possible extent:

- The CSRD project core team regularly reviews the requirements for sustainability reporting and the regulations during the reporting process.
- Internal experts from a wide range of specialist departments as well as external experts examine the topic-specific chapters, carry out cross-comparisons with other chapters (dual control principle), and review or validate subject-specific content.
- The Group Sustainability Committee reviews and subsequent approves the material intended for publication.
- In addition, the sustainability report is subject to an external audit with limited assurance.
- In areas where data is incomplete—such as biodiversity—voestalpine systematically documents any information gaps. These then serve as the basis for the further development of the materiality assessment and reporting in future reporting periods.

The appointed auditors conduct analytical audit procedures and conduct sample audits as part of the limited assurance process for the company's sustainability report. Audit activities performed by the external auditor are described in the assurance statement.

Furthermore, voestalpine has implemented additional internal controls based on its risk assessment in the sustainability report. These include quantitative and qualitative audit mechanisms, the involvement of key corporate functions, and the participation of the Group-wide Sustainability Board. These controls are complemented by system-based access controls and automated input controls in the IT systems used for sustainability reporting.

STRATEGY

SBM-1 – Strategy, business model, and value chain

voestalpine is a global steel and technology group with a unique combination of material and processing expertise. The Group's organizational structure consists of a holding company and four divisions. With high-quality product and system solutions made from steel and other metallic materials, voestalpine is a leading partner in the automotive, energy, mechanical engineering, consumer goods, and aerospace industries. In addition, voestalpine is the world market leader in rail infrastructure systems, tool steel, and special sections. The Group's broad customer base contributes to earnings stability in a cyclical market environment overall.

The Group Strategy 2030+ outlines the path for voestalpine in the coming years, aiming to ensure the company's future viability and enable further value-enhancing growth. As an international Group, voestalpine is committed to global climate targets and is working intensively on technologies to reduce CO_2 emissions as well as on long-term decarbonization.

The Steel Division has been setting environmental benchmarks in steel production for years and is developing hydrogen-based future technologies to achieve CO_2-neutral steel production. With its high-quality strip steel, the Steel Division is a partner to renowned automotive manufacturers and suppliers around the globe.

The High Performance Metals Division is a global leader in the production and downstream processing of metallic high-performance materials, particularly high-speed steel and other specialty steels, as well as titanium and nickel-based alloys. Customers of these products include, for example, suppliers to the automotive and consumer goods industries, the special machinery sector, as well as the aerospace industry. With the sale of Buderus Edelstahl, voestalpine's High Performance Metals Division is concentrating its product portfolio on the technologically advanced high-performance materials segment and reducing its production share in tool steel and premium construction steel in the standardized performance sector, which is increasingly under price pressure due to rising competition from non-European competitors.

The Metal Engineering Division, with its Railway Systems business segment, is a global leader in providing integrated track systems. It provides customized comprehensive solutions for all rail infrastructure segments—from urban and mixed traffic to heavy freight and high-speed networks. Through its Industrial Systems business unit, the division is also the European market leader in high-quality wire and complete welding solutions. As part of the greentec steel program, the Metal Engineering Division is also intensively working on and researching various innovations, climate-friendly technologies, and production processes.

The Metal Forming Division is the center of expertise for highly advanced profile, tube, and precision strip steel products, as well as for ready-to-install system components made from pressed, stamped, and roll-formed parts. These products are used in a wide range of industries.

voestalpine does not offer products or services that are subject to bans in the respective markets.

REVENUE BY REGION

2024/25	Total	in %
European Union (excluding Austria)	8,969.3	57%
Austria	1,083.2	7%
USMCA	2,192.1	14%
Asia	1,430.5	9%
South America	528.0	3%
Rest of World	1,540.6	10%
Total revenue by region	**15,743.7**	**100%**

In millions of euros

REVENUE BY DIVISION

2024/25	Total	in %
Steel Division	5,799.1	37%
High Performance Metals Division	3,182.2	20%
Metal Engineering Division	4,167.9	27%
Metal Forming Division	3,125.1	20%
Holding & Group Services	1,012.4	6%
Consolidation	–1,543.0	–10%
Total Group	**15,743.7**	**100%**

In millions of euros

REVENUE BY INDUSTRY

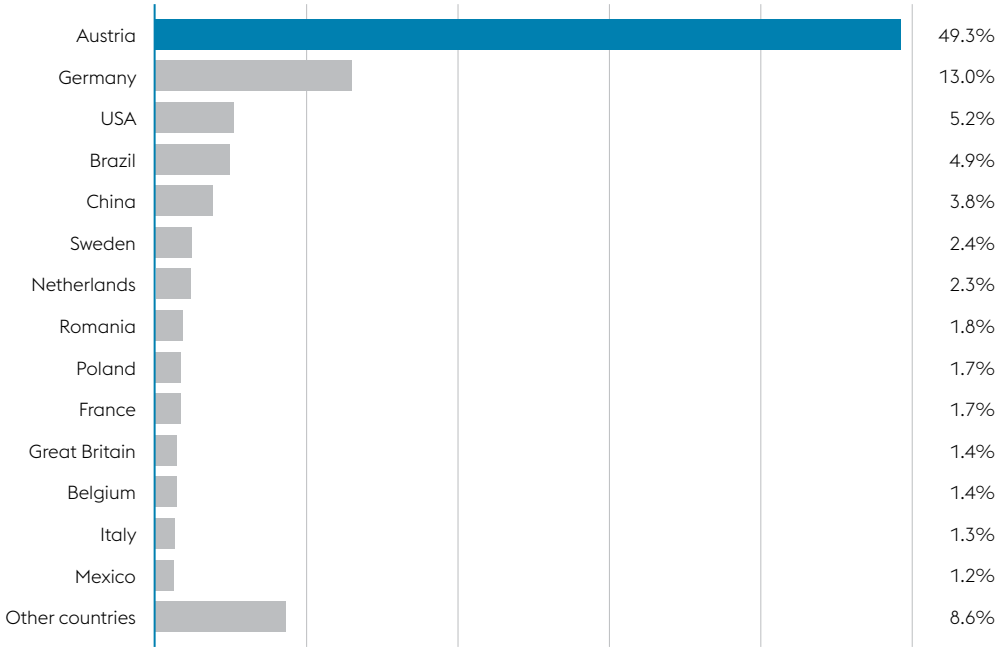
2024/25	Total	in %
Automotive	4,772.2	30%
Energy	2,711.7	17%
Railway systems	2,266.2	15%
Construction	1,503.6	10%
Mechanical engineering	1,280.7	8%
White goods/Consumer goods	651.2	4%
Aerospace	543.4	3%
Other	2,014.7	13%
Total revenue by industry	**15,743.7**	**100%**

In millions of euros

voestalpine comprises about 500 Group companies and sites in over 50 countries on five continents. As of the annual reporting date (March 31, 2025), the voestalpine Group had a global workforce of 49,298 employees (including apprentices). 49.3% of the employees are based in Austria, while 50.7% work at sites outside Austria.

EMPLOYEES BY COUNTRY (PERCENTAGE)

Headcount, as of the March 31, 2025 reporting date



EMPLOYEES BY COUNTRY (HEADCOUNT ABOVE 10)

Headcount (incl. apprentices), as of the March 31, 2025 reporting date

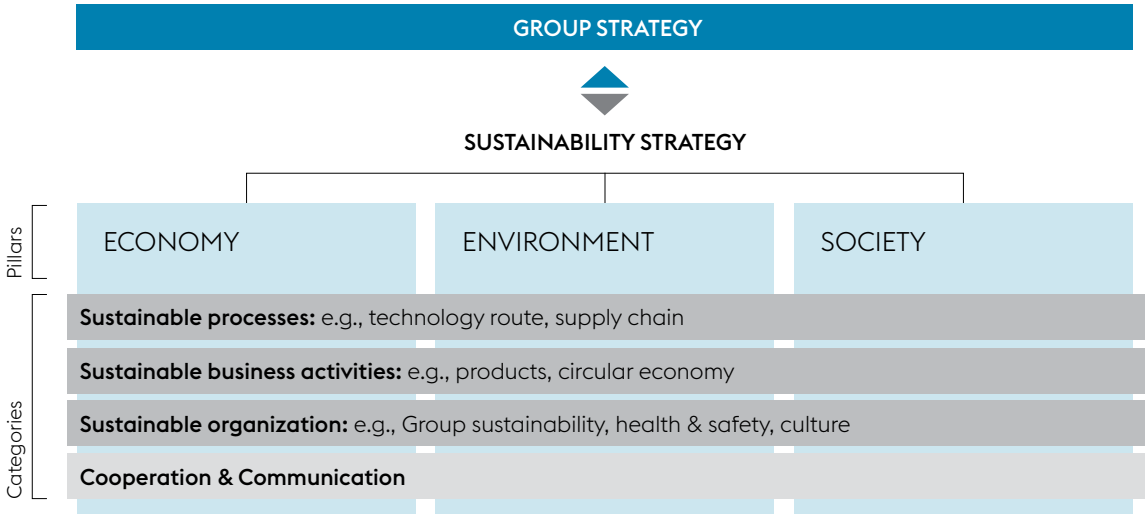
Country	Overall
Austria	24,323
Germany	6,406
USA	2,575
Brazil	2,436
China	1,879
Sweden	1,205
Netherlands	1,137
Romania	875
Poland	845
France	814
Great Britain	706
Belgium	675
Italy	663
Mexico	605
India	480
South Africa	429
Czech Republic	343
Spain	316
Australia	293
Türkiye	282
Hungary	275
Canada	208
Indonesia	153
Singapore	147
Switzerland	132
Thailand	113
Bulgaria	111
Taiwan	99
Peru	88
Lithuania	80
Japan	73
Colombia	69
Argentina	66
Saudi Arabia	59
Malaysia	56
Vietnam	54
Republic of Korea (South Korea)	47
Portugal	39
Ecuador	35
Slovakia	27
United Arab Emirates	23
Egypt	16
Denmark	12

SUSTAINABILITY STRATEGY AND TARGETS

The sustainability strategy of voestalpine forms an integral part of the Group's corporate strategy and is operationalized within the individual divisional, business unit, and functional strategies. With its comprehensive sustainability strategy, voestalpine pursues an integrated approach and has formulated strategic principles and targets for each sphere of action. The sustainability strategy is holistic and is based on the three pillars of the economy, environment, and society. It is implemented both in operational processes and in the organization of voestalpine, covering all of the Group's business activities.

As part of stakeholder management, voestalpine communicates its policy and related progress both internally and externally. For this purpose, voestalpine maintains contact with all relevant stakeholders by engaging in a responsible, solution-oriented, and transparent dialogue with them. This is facilitated through numerous platforms such as professional discussions, roundtables, conferences and trade shows, as well as analyst and investor meetings. In line with its Code of Conduct, voestalpine actively participates in a wide variety of bodies serving advocacy groups, trade associations, and lobbying campaigns. For more information on stakeholder management, please refer to SBM-2. The Group Sustainability department, which was newly created in 2023, acts as the central coordination point for the implementation and further development of the sustainability strategy.

SUSTAINABILITY STRATEGY—STRATEGIC SPHERES OF ACTION



Faced with increasing pressure to reduce GHG emissions and the need to curb climate change, steel producers must find alternative methods to achieve more environmentally friendly production. In response, voestalpine is investing in hydrogen-based and forward-looking technologies to enable carbon-neutral production.

As an undertaking, voestalpine is committed to clear sustainability targets and envisages achieving net-zero emissions by 2050. Within the scope of the Science Based Targets initiative (SBTi), the voestalpine Group is committed to reducing total Scope-1- and Scope-2-emissions by 30% and Scope-3-emissions by 25% by 2029 compared to the reference year 2019. This planned reduction corresponds to a "well below 2 °C" scenario. This target was set at the Group level and relates to the gradual decarbonization of the production sites. The target has not been rolled out for customer groups, specific products or regions. Achievement of the target is also subject to external factors and influencing variables, such as the availability of raw materials and renewable energy as well as the economic situation. For more information, see chapter E1 Climate change.

In order to meet the challenge of decarbonizing steel production while maintaining cost-effectiveness and competitiveness, and achieve the net-zero target by 2050, voestalpine has developed the ambitious greentec steel climate protection program as a core element of the Group and sustainability strategy. Blast furnace-based steel production in the Steel Division and the Metal Engineering Division will be gradually decarbonized by 2050.

In the first phase, EUR 1.5 billion is already being invested in one green-powered electric arc furnace each in Linz and Donawitz to replace one blast furnace at each location. The materials used involve a mix of scrap, liquid pig iron, and hot briquetted iron (HBI), with the mix adjusted according to the specific quality requirements. These electric arc furnaces, which are already under construction, will go into operation in 2027 and significantly reduce Scope-1- and Scope-2-CO_2 emissions by a total of 30% by 2029 by increasing the use of electricity instead of coal and coke. This represents almost 5% of Austria's entire annual CO_2 emissions, making greentec steel the country's largest climate protection program.

Starting in 2030, the second phase of the greentec steel climate protection program will be launched, in which one further blast furnace in both the Steel Division and the Metal Engineering Division will be replaced by an electric arc furnace. These actions, together with the expected complementary use of carbon capture and utilization/storage (CCUS) technologies, will reduce Scope-1- and Scope-2-CO_2 emissions by a total of 50% by 2035 compared to 2019.

With regard to further decarbonization after 2035 (phase 3), the focus will be on replacing the remaining fossil pig iron capacity with fossil-free energy sources such as green hydrogen and bioenergy, and on the capture, storage, and utilization of CO_2 (CCUS). The final decisions on phase 2 and phase 3 will be taken in line with the investment cycles and in consideration of the prevailing technological and regulatory environment at the time. Consisting of several modular technology steps and options as well as staggered decision times for the decarbonization steps, the greentec steel phased plan permits maximum flexibility without jeopardizing the cost-effectiveness of the net-zero policy. The respective phases can be adapted to changing economic and political conditions as well as to future technological possibilities without influencing the strategic objectives.

Other challenges for voestalpine in the context of climate change lie in securing the necessary raw materials and energy sources, demand for which will change as steel production is transformed. In order to address these challenges, voestalpine has set itself the strategic objectives of economically securing the supply of the production sites with the required raw materials and energy in the long term, as well as further expanding the circular economy and increasing the use of scrap as a secondary raw material in steel production. The undertaking aims to increase the use of scrap as a secondary raw material in steel production by 50% by 2030. These packages of actions are already being implemented and will continue to be developed. For more information, see chapter E1 Climate change and E5 Resource use and circular economy.

Another strategic challenge for voestalpine in the context of sustainability is to continue to attract and retain qualified and motivated employees in line with its requirements as the basis for economic success. To this end, voestalpine relies on various policies and actions—based on its already high level of commitment and above-average employee retention (for more information, see chapter S1 Own workforce).

In addition, the health of employees and the ongoing assurance and enhancement of occupational safety are core values at voestalpine and are given top priority. Continuous efforts are therefore being made to further reduce the frequency of accidents and increase the health index in order to move closer to the vision of "zero accidents." Strategically, the accident frequency rate is to be reduced by a further 30% by 2030. Group-wide safety standards form the basis of a successful corporate culture rooted in health and safety.

Moreover, voestalpine addresses sustainability in its supply chain and works to counter the material negative impact identified (for more information, see below and chapter S2 Value chain workers).

VALUE CHAIN AND BUSINESS MODEL

At the heart of voestalpine's business model is the efficient production and processing of high-quality steel products and other high-performance metallic materials for applications subject to high quality and technology requirements, while adhering to stringent sustainability standards throughout the entire value chain. This covers the mining of raw materials, production, use, and recycling of products. The following figure illustrates voestalpine's comprehensive value chain in consideration of upstream value added, in-house activities, and downstream value added.

voestalpine VALUE CHAIN

From ore

	UPSTREAM	OWN ACTIVITIES
Value creation	Extraction of raw materials Raw material preparation & IP Purchased energy Upstream logistics	Research & Development Steel production Own energy Own logistics
Raw materials/products	Iron ore, scrap, HBI, alloys, coal/coke, energy, ...	Crude steel Steel strip, sheets, pipes, wires, ...
Locations & footprint		Austria, Sweden, Brazil
Important stakeholders	Suppliers, energy companies, logisticians, value chain workers, financial institutions, ...	Employees, neighboring communities, political actors, whistleblowers, ...
Divisions		Steel Division (SD) Metal Engineering Division (MED) High Performance Metals Division (HPM)

To use

DOWNSTREAM

RECYCLING

Use

Further processing

Treatment and processing of steel and other high-performance metallic materials

Downstream logistics

Alloys, special materials, precision strip, ...

Pipes, profiles, machined steel, ...

Rail infrastructure, welding solutions, car components, warehouse technology, ...

Cars, railway systems, machinery, construction, energy, aerospace, consumer goods, ...

Locations worldwide

Customers, logisticians, ...

Metal Forming Division (MFD)

In the upstream value chain, voestalpine relies on essential raw materials such as iron ore, various alloys, steel scrap, coal, and coke, which are sourced from North America, South America, Europe, Africa, Australia, and parts of Asia. In the course of the transition to climate-neutral production, demand for raw materials is changing in response to technological transformation. For example, in addition to the gradual reduction in the use of coal and coke, the strategic increase in the use of recycled steel scrap reduces the need for iron ore. This recycled scrap comes from both industrial and post-consumer sources.

In addition to the raw materials, the supply of energy, which is provided by regional and international energy suppliers, is crucial. This also applies to the necessary supply of water. Other materials, machinery, and equipment procured by global suppliers are also essential. Global logistics service providers as well as some of the company's own logistics manage the transport of raw materials and other goods to the production sites.

The combination of material and processing expertise as a key factor in voestalpine's success is reflected in the broad value chain in voestalpine's own business activities. This ranges from the steel production and the further processing and refinement of the products to the production of ready-to-install components, system solutions, and services. Steel production takes place at sites in Austria, Sweden, and Brazil, while further production steps are distributed globally. The specific activities and final products of the divisions vary depending on the business unit. The undertaking's own logistics ensures the transport of materials and semi-finished products to and between the undertaking's sites. At its large production sites, voestalpine generates electricity from process gases and uses it to power 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.

The voestalpine Group manufactures a wide range of steel and other high-performance metal products, the majority of which are processed into final products in various industries. These include various flat and long products, but also further-processed products and ready-to-install components, e.g., for tool making, the automotive and energy industry, aerospace, construction and mechanical engineering, the consumer goods and food industry, as well as system solutions, for example for railway infrastructure or storage technology.

Research and development is pursued along all production activities of voestalpine, especially with regard to decarbonizing steel production. The increased expansion of the circular economy, in particular with the use of recycled materials such as steel scrap, or the reprocessing of by-products, will make production more sustainable. At the same time, state-of-the-art technologies and optimized processes make it possible to increase efficiency along the entire production chain and significantly improve the Group's environmental footprint.

In its own operations, voestalpine attaches great importance to the safety and well-being of its employees in order to ensure sustainable and responsible production. Employees can express their interests to the company in various ways and trust that their needs will be taken into account in decision-making processes.

The downstream value chain includes the worldwide transportation of voestalpine products to business customers, their industrial processing, and final use by end customers. At the end of their useful life, a proportion of the products are recycled. This promotes a circular economy and contributes to the company's sustainability goals. In the event of planned operational changes at the sites, the neighboring communities, political actors, and other stakeholders are involved in order to take local requirements into account and promote social acceptance.

The customers of voestalpine are made up of business customers from various industries and geographical markets, in particular from the automotive, energy, and aerospace industries, rail infrastructure, mechanical engineering, and the construction and consumer goods industry. The main geographical markets are located in Europe, North and South America, Asia and, depending on the business unit, in additional complementary markets.

A close dialogue is maintained between voestalpine and its customers, who are placing increasingly high demands on reducing the carbon footprint in their supply chains. This demand for "green steel" has led to an uptick in the development of solutions produced in collaboration with customers to increase efficiency and reduce emissions throughout the product lifecycle. These include innovative recycling processes and energy-efficient production technologies.

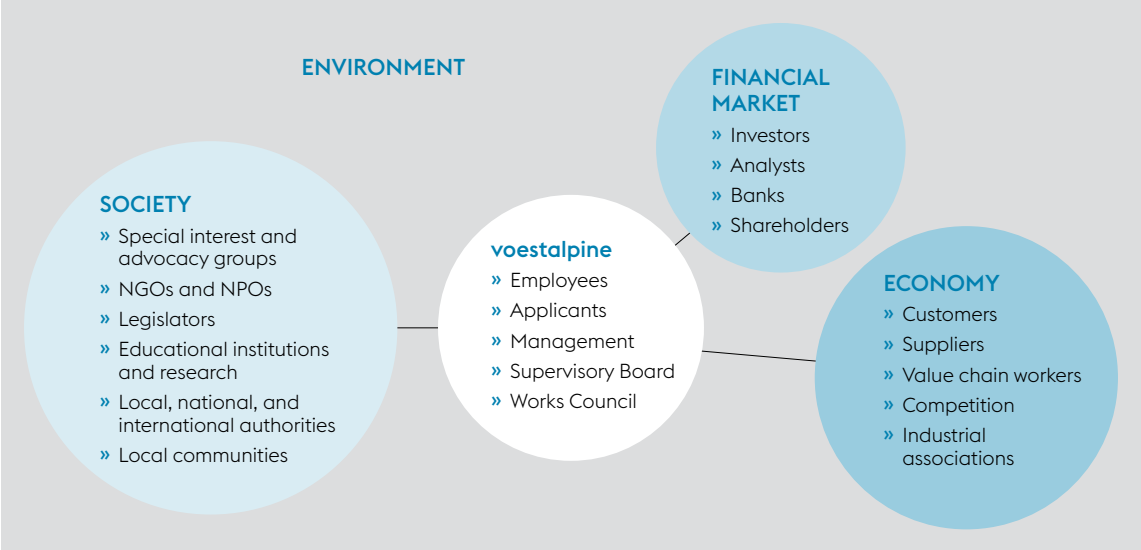
Additionally, voestalpine attaches great importance to transparency in the value chain. Environmental impacts and adverse social impacts, such as labor and human rights violations, need to be minimized to the greatest possible extent. In cooperation with suppliers, attention is paid to compliance with environmental and social standards.

SBM-2 – Interests and views of stakeholders

Stakeholders are persons or groups who can affect or be affected by voestalpine. They can be broken down into affected and interested stakeholders.

Identifying the relevant stakeholders and analyzing their requirements, interests, and expectations were core tasks to which voestalpine devoted itself in a structured and comprehensive manner in the business year 2023/24 as part of its double materiality assessment. The list of key stakeholders is reviewed at regular intervals to ensure that it is complete and up to date. The following table shows an overview of key stakeholders.

STAKEHOLDER CATEGORIZATION



The involvement of stakeholders includes representatives of affected groups such as trade unions, works councils, local communities, non-governmental organizations, suppliers, business partners, customer representatives, and industry associations. In addition, voestalpine works with sustainability experts from the world of academia and actively engages in a dialogue with users of the sustainability report, such as public authorities, banks, and investors. The undertaking takes into account their information needs with regard to the policies, actions, metrics, and targets of voestalpine in relation to material sustainability matters. Exchanges with the various stakeholder groups take place regularly in different formats and address the issues of relevance to them.

The most important stakeholders were involved in the double materiality assessment in two ways: Through face-to-face interviews and a large-scale anonymous online survey (see also IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities). In addition, the administrative, management, and supervisory bodies were informed about the views and interests of stakeholders with regard to voestalpine's sustainability-related impacts during sustainability board meetings.

Sustainability matters are increasingly becoming a main topic in voestalpine's communications with customers and suppliers, as well as with analysts, investors, NGOs, platforms, and advocacy groups. As far as the topic of sustainability is concerned, greenhouse gas emissions and climate-related risks, human rights in both the undertaking and the supply chain, as well as the EU Taxonomy Regulation, are often relevant concerns that are frequently discussed with stakeholders such as analysts and investors, for example. These frequently long-term relationships with customers and suppliers provide the basis for trusting and transparent partnerships.

The suggestions, proposals, and expectations of voestalpine's stakeholders are taken into account in strategic deliberations. This approach ensures transparent decision-making and strengthens trust in the undertaking. Taking into account different stakeholders helps to develop and implement a responsible and sustainable business strategy.

As a global steel company, voestalpine pursues a sustainable business model with a clear focus on decarbonization, resource efficiency, and circular economy. The shift towards more climate-friendly technologies and the focus on employees are central elements of the corporate strategy. The interests of relevant stakeholders are actively taken into account. In this way, voestalpine not only strengthens its long-term competitiveness, but also assumes responsibility for the interests of its stakeholders.

The following section outlines how communication with key stakeholders is structured. The examples given include the main stakeholder groups as well as the platforms most commonly used by voestalpine for dialogue and reconciling interests with them. voestalpine's executives also engage with other groups at different locations in various ways.

EMPLOYEES

The voestalpine Group currently has a global workforce of about 50,000 employees. Both the annual employee performance review and the regular Group-wide employee survey are key tools for engaging in structured communications. Employees' feedback is analyzed by management and flows into any action plans the company develops—for example, with respect to personnel development.

In many voestalpine Group companies, a works council represents employees' interests. Local works councils are superseded by a European Works Council and a Group Works Council, both of which hold regular discussions with management. Through internal audits and training courses—for example, on the topics of compliance, health and safety, IT security, or data privacy and protection—voestalpine ensures not only that its employees abide by and implement a range of requirements, but also that their knowledge is current.

CUSTOMERS AND SUPPLIERS

voestalpine maintains open and close-knit relationships with all its business partners. These frequently long-term relationships with customers and suppliers provide the basis for trusting and transparent partnerships. Together, processes and products are developed that satisfy the requirements of all parties involved and ensure low-impact utilization of resources.

Sustainability matters are increasingly becoming the focus. Besides conventional supply chain management issues such as quality, costs, availability, and delivery dates, a greater role is increasingly played by climate change mitigation, energy and resource efficiency, as well as compliance with labor and human rights. The voestalpine Code of Conduct is binding for all suppliers and business partners.

ANALYSTS AND INVESTORS

Institutional investors and analysts are a key stakeholder group of voestalpine in its capacity as a listed company. The members of the Executive Board and the Investor Relations department maintain close contact with representatives of the owners and providers of capital, including through investor conferences, road shows, and individual meetings. Discussions with analysts and investors focus on the latest developments and the market situation as well as sustainability issues. In particular, the focus is on climate-relevant emissions and risks, respect for human rights in the company and in the supply chain, and regulatory requirements such as the EU Taxonomy Regulation.

RESEARCH INSTITUTES AND UNIVERSITIES

The collaboration between voestalpine and universities, and unaffiliated research institutes is indispensable and boosts the Group's research and development work. voestalpine supports outstanding dissertations, master's theses, and research projects. It also endows professorships that can generate knowledge relevant to its core business and contribute new insights. The members of voestalpine's Management Board personally represent the Group during special student events (some of which are also held virtually) and answer questions from the students, who, in their capacity as potential future employees, are considered an important stakeholder group.

NGOs, SPECIAL INTEREST GROUPS, AND PLATFORMS

Representatives of voestalpine belong to various working groups and committees of advocacy groups and platforms. These include the World Steel Association ("worldsteel"); the Austrian Society for Metallurgy and Materials (ASMET); the European Steel Technology Platform (ESTEP); and the Austrian Financial Reporting and Auditing Committee (AFRAC). In addition, voestalpine actively engages in political debates with relevant industry associations such as the European Steel Association (EUROFER) and the European Rail Supply Industry Association (UNIFE) in order to present its views on socially and politically-relevant topics or to support a unified approach to the interpretation of particular statutory norms.

In April 2019, voestalpine became a member of ResponsibleSteel—a non-profit organization that focuses on the sustainable production of steel and the sustainable procurement of both raw and other materials. voestalpine actively engages in the ongoing development of the standard on which these policy initiatives are based. In the summer of 2021, the Group's largest steel plant (located in Linz, Austria) underwent an audit process aimed at obtaining certification pursuant to the ResponsibleSteel Standard; it is one of the very first steel companies to have done so. The surveillance audit provided for in the audit process was also completed with a positive outcome in the summer of 2024.

The company also maintains good communications with non-governmental organizations (NGOs). Its Management Board and experts engage in intensive and constructive exchanges of opinion with several NGOs, particularly with respect to energy and climate policies as well as other environmental topics.

The following outlines how the interests, views, and rights of its own workers, workers in the value chain, and affected communities are integrated into the strategy and the business model:

SBM-2 – S1 OWN WORKFORCE

The ongoing engagement of the workforce in decision-making processes not only strengthens the corporate culture but also ensures that the strategic direction of voestalpine is specifically tailored to the needs and expectations of its employees. Structured feedback processes make it possible to identify needs at an early stage, identify potential for improvement, and systematically incorporate these into business-critical decisions. Respect for human rights is a top priority: Internal guidelines, training courses, and monitoring mechanisms ensure that labor and social standards for all employees are consistently adhered to and continuously developed.

SBM-2 – S2 WORKERS IN THE VALUE CHAIN

There is currently no standardized process in place for the direct involvement of value chain workers. Any involvement takes place on an ad-hoc basis and the value chain workers can make use of the whistleblower system. A direct involvement process will be developed in preparation for the requirements of the CSDDD. Indirectly, this involves regular exchanges and close cooperation with relevant suppliers. For more information, see the topic-specific information on S2.

SBM-2 – S3 AFFECTED COMMUNITIES

Local communities, such as those located in the immediate vicinity of production facilities, are regularly involved in dialogues in the regions in which voestalpine operates, in order to understand their needs and concerns with regard to the company's activities. Based on this feedback, the company develops action plans that take into account both the economic success of voestalpine and the social and environmental concerns of the affected communities. In addition, the views of the communities are essential when it comes to ensuring voestalpine plays a long-term role as an important employer in the respective local communities. Further information is provided in the specific information on S3.

SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Prior to the compilation of this sustainability report, voestalpine identified and assessed its impacts on the environment and society (impact materiality) as well as the sustainability-related financial risks and opportunities (financial materiality) for the Group. The impacts, risks, and opportunities (IROs) assessed as material were assigned to the sustainability matters in accordance with ESRS 1 AR 16. In an aggregated presentation, nine of the ten topics for which topic-related standards are set forth in ESRSs were assessed as material. Only the issue of consumers and end-users (ESRS S4) was considered to be non-material.

The following topics are material and covered in the reporting through the application of the respective standards:

» Climate change (ESRS E1)
» Pollution (ESRS E2)
» Water and marine resources (ESRS E3)
» Biodiversity and ecosystems (ESRS E4)
» Resource use and circular economy (ESRS E5)
» Own workforce (ESRS S1)
» Workers in the value chain (ESRS S2)
» Affected communities (ESRS S3)
» Business conduct (ESRS G1)

In addition, the topics of innovation, research, and development, and taxation were assessed as being material. The company-specific information on these issues can be found in the chapter on Environment or Corporate governance. For more information on the materiality assessment, see chapter IRO-1.

The following table summarizes the key voestalpine IROs. Detailed information on the individual IROs as well as on the policies, actions, targets, and metrics with which voestalpine manages them is provided at the beginning of each of the topic-specific chapters of this sustainability report.

ESRS	Topic/sub-topic/sub-sub-topic		Impact, risk, opportunity (IRO)
E1	Climate change mitigation	●	Scope 1 GHG emissions
		●	Scope 2 GHG emissions
		●	Scope 3 GHG emissions
		○	Transformation of facilities and technologies
		○	New job infrastructure in the vicinity of voestalpine production sites
		!	Transition risk: risks arising from the technical transition of production processes to zero-emission technologies
		!	Transition risk: higher costs for CO_2 allowances in the ETS for voestalpine
		!	Transition risk: decrease in sales volume and margin due to structural change in European industry and competitive disadvantages due to unilateral European regulations
		+	Transition opportunity: increased sales volumes of sustainable/low-emission steel products for voestalpine (especially in sectors relevant to the energy transition) leading to a sustainable stabilization of sales and EBIT
		!	Transition risk: supply bottlenecks and higher costs for important materials and raw materials
	Climate change adaptation	!	Chronic physical climate risks
		!	Acute physical climate risks
	Energy	●	Direct energy consumption
		!	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
E2	Air pollution	●	NO_x, SO_x, and dust emissions from our own value-added processes
E3	Water withdrawal	●	Water withdrawal
E4	Biodiversity and ecosystems	●	Biodiversity in the upstream value chain
E5	Circular economy	●	Metal recycling—using scrap as a resource
		●	Business models for recycling
		●	Waste recovery—use of by-products within voestalpine or selling them to other industries
I, R&D	Innovation, research & development	●	Production innovations
		+	USP based on product differences
		+	Increased recycling efficiency through technological innovation
		+	Breakthrough technology applications (e.g., HYFOR)
		!	Ensuring product quality with increased use of scrap
S1	Working conditions	●	Respect for human rights and fair working conditions at voestalpine
	Secure employment	○	Economic crisis or restructuring
	Health and safety	●	Healthy and safe working conditions at voestalpine
		●	Accidents at work, injuries, and occupational illnesses (health and safety)
	Equal treatment and opportunities for all	●	Equal opportunities for all employees
	Training and skills development	●	Personal development and training
S2	Worker rights and conditions in the value chain	!	Financial claims and loss of reputation relating to potential labor exploitation in the supply chain (direct payments, in particular due to CSDDD; indirect losses due to poorer sustainability ratings)
S3	Affected Communities	●	Engagement with affected communities (own Group—Linz, Donawitz, Kapfenberg)
G1	Corporate culture	●	Shared values at voestalpine
	Ethical business conduct	●	Practiced corporate ethics
		!	Violation of compliance guidelines and white-collar crime
Tax	Taxes	●	Correct tax payments

	Value chain	Time horizon	Reference
	>>	●●●●	p. 178
	>>	●●●●	p. 178
	>>	●●●●	p. 178
	>>	●●●●	p. 178
	>>	●●●●	p. 178
	>>	○●●●	p. 178
	>>	○●●●	p. 178
	>>	●●●●	p. 178
	>>	●●●●	p. 180
	>>	○●●●	p. 180
	>>	○○●●	p. 180
	>>	○○●●	p. 180
	>>	●●●●	p. 180
	>>	●●●●	p. 180
	>>	●●●●	p. 206
	>>	●●●●	p. 214
	>>	●●●●	p. 220
	>>	●●●●	p. 224
	>>	○●●●	p. 224
	>>	●●●●	p. 224
	>>	●●●●	p. 240
	>>	○●●●	p. 240
	>>	○●●●	p. 240
	>>	○●●●	p. 240
	>>	○●●●	p. 240
	>>	●●●●	p. 256
	>>	●●●●	p. 256
	>>	●●●●	p. 258
	>>	●●●●	p. 258
	>>	●●●●	p. 258
	>>	●●●●	p. 258
	>>	○●●●	p. 296
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	>>	●●●●	p. 326
	>>	●●●●	p. 326
	>>	●●●●	p. 326
	>>	●●●●	p. 342

Legende

- ● 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 identified material impacts, risks, and opportunities of voestalpine are regularly evaluated in order to establish the current and anticipated impact on business model and strategy, and to derive actions for dealing with material impacts and risks, if necessary. More detailed information on the material impacts, risks, and opportunities including their interaction with the strategy and business model can be found in the tables in the topic-specific chapters of this sustainability report.

The impairment losses of EUR 38.8 million in the business year 2024/25 and the restructuring expenses of EUR 47.7 million recognized in the business year 2024/25 at Automotive Components result from the initiated consolidation strategy, in particular due to the ongoing capacity underutilization among premium customers of the German automotive industry, which is partly due to the structural change in Europe and the associated transitory climate risk: "Decline in sales volume and margin due to structural change in European industry and competitive disadvantages as a result of unilateral EU regulation." In this regard, there may be an adjustment in the carrying amount of the assets and provisions reported in the IFRS Consolidated Financial Statements in the next reporting period (see D.11 Impairments and reversals of impairment losses in the IFRS Consolidated Financial Statements for more details).

The resilience of voestalpine's strategy and business model is regularly analyzed and assessed as part of the strategy review process. For climate change information, see SBM-3 E1 Climate change. The company is tackling the risk of "ensuring product quality with increased use of scrap metal" with a wide range of actions. At the heart of these actions is the increased focus on research in order to continue to be able to manufacture the highest quality steel products after transitioning from blast furnace to electric arc furnace production (see I,R&D chapter). There are sufficient policies and procedures in place to address the risk of labor exploitation in the supply chain and the risk of non-compliance and white-collar crime. For further information, refer to chapters S2-1 Policies related to value chain workers and S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns, as well as chapters G1-1 Corporate culture and business conduct policies and G1-3 Prevention and detection of corruption and bribery.

Overall, it is considered that the actions already taken and planned are appropriate to reduce the sustainability risks identified and thus ensure voestalpine's long-term resilience.

SBM-3 – E1 CLIMATE CHANGE

The company has identified seven material climate-related risks, comprising two climate-related physical risks and five climate-related transition risks:

Climate-related risks		Risk
Climate-related physical risk	!	Chronic physical climate risks
	!	Acute physical climate risks
Climate-related transition risk	!	Transition risk: risks arising from the technical transition of production processes to zero-emission technologies
	!	Transition risk: higher expenditure for carbon credits as part of the ETS for voestalpine
	!	Transition risk: decline in sales volumes and margins due to structural change in European industry and competitive disadvantages due to unilateral European legislation
	!	Transition risk: supply bottlenecks or higher costs for important raw and other materials
	!	Transition risk: bottlenecks in the energy supply at the major production sites (in particular Linz and Donawitz) and higher costs for energy procurement (renewable and non-renewable sources) as a result of the energy transition in Europe

Starting in the business year 2023/24, voestalpine conducted a physical climate risk analysis and a transient climate risk analysis, which was completed in the current business year. On this basis, an analysis of the resilience of the business model and the corporate strategy was carried out (for more information on the process, the critical assumptions, and the time horizons used in the climate risk analyses, see chapter IRO-1 E1 Climate change).

The analysis of voestalpine's resilience with regard to the risks identified takes into account both its own business activities and the activities along the upstream and downstream value chain. With regard to the upstream value chain, the focus was on the key raw materials and energy sources, while in the downstream value chain, the most important customer segments and market trends for future demand were included. All at-risk assets and business units that are relevant for the strategic orientation of the company, investment decisions as well as existing and planned climate change mitigation actions were analyzed.

Physical risks
Based on the physical climate risk analysis, voestalpine has implemented a number of adaptation action plans at its key sites to minimize the impacts of physical climate risks to the greatest possible extent. Examples of such actions include, among others, structural measures such as flood protection and logistical adjustments in the event of low water levels. Activities are also being undertaken to counteract the impacts of long-term fluctuations in river levels, such as diversifying supply routes. Currently, these action plans are considered sufficient to effectively address the identified physical risks in the short, medium, and long term. Therefore, voestalpine does not currently see any vulnerability that assets or business activities could be significantly impacted by physical climate risks and action plans already implemented and planned are considered suitable to reduce the physical climate risks identified and thus ensure voestalpine's long-term resilience to climate-related physical risks.

Transition risks
Planned and current mitigation action plans were taken into account to determine the resilience of voestalpine with regard to the identified transition climate risks (see E1-3 Actions and resources in relation to climate change policies).

The core element of voestalpine's strategic orientation is the decarbonization of steel production (see SBM-1 Strategy) in order to counteract the risk of higher costs for carbon credits. Therefore, related investment decisions and climate change mitigation actions in business activity and business model are already taken into account (see E1), whereby voestalpine ensures the adaptation of the business model to climate change.

At the same time, associated transition risks may arise, in particular with regard to supply bottlenecks for energy, important raw materials, and associated higher costs, structural change, and changing competition, which are counteracted by ongoing actions (see E1-3 Actions and resources in relation to climate change policies).

By strategically aligning the business model with decarbonization on the one hand, and continuously evaluating the transition climate risks on the other, voestalpine is taking the necessary steps to adapt its business model to climate change in the medium and long term, while maintaining the necessary flexibility for regulatory changes and market dynamics.

SBM-3 – E4 BIODIVERSITY AND ECOSYSTEMS
The materiality assessment did not identify any material impacts of voestalpine's activities on biodiversity and ecosystems or dependencies of the company's activities on the respective ecosystem services at its own sites. A list of all sites located in the vicinity to protected areas can be found in ESRS 2 IRO-1 E4. No activities with material impacts on biodiversity and ecosystems have been identified at these sites either. In addition, no negative impacts of voestalpine activities on affected species or in terms of land degradation, desertification, or soil sealing have been identified.

SBM-3 – SOCIAL ISSUES

The impacts, risks, and opportunities that relate specifically to voestalpine's own workforce, the workforce in the value chain, and affected communities are partly due to voestalpine's business model and strategy. The labor-intensive processes of steel production, the global supply chain, and the strategically driven decarbonization are key impact drivers. These factors require continuous adaptations, particularly in terms of occupational safety, socially responsible procurement, and the targeted promotion of sustainability skills among employees. Material risks and opportunities arise from regulatory requirements and social developments. Their continued integration into corporate strategy not only addresses challenges, but also promotes positive developments—for example, through better working conditions, sustainable supply chains, and active engagement with the concerns of affected communities.

SBM-3 – S1 OWN WORKFORCE

All employees may be affected by the material impacts of voestalpine's activities. In addition to its own employees, self-employed and contract workers provided by third party undertakings also work for voestalpine.

Employees refer to individuals with permanent or fixed-term contracts who work on a regular basis for voestalpine. According to Austrian labor law, management boards do not count as "employees."

Self-employed persons offer their services on a freelance basis and are engaged as external experts for specific projects or assignments.

Leased personnel are sent by third party undertakings or agencies to work temporarily at voestalpine. Care is taken to integrate these employees into the corporate culture and give them the support they need, including specific onboarding programs and periodic feedback sessions.

The positive impacts identified are the result of targeted measures taken by voestalpine to promote fair working conditions and equal opportunity. Compliance with human rights is ensured through clear corporate policies, while safe working conditions are ensured through preventive safety measures, periodic training, and a comprehensive occupational health and safety management system. These positive impacts affect all of voestalpine's own workers.

No violations of human rights law or incidents involving child labor or forced labor were identified in the past business year. In order to continue to consistently prevent such violations, voestalpine regularly reviews its processes and implements targeted risk minimization measures.

The potential negative impacts of accidents, injuries, work-related ill health, and economic crises are based on individual cases and are neither systematic nor widespread. However, the materiality assessment found that production workers, especially those working in high-temperature areas or with heavy machinery, are at increased risk of work-related hazards due to the nature of their working environment. Detailed information on the corresponding mitigation measures is provided under S1-4.

The decommissioning of two coal-based blast furnace units and the commissioning of one green-powered electric arc furnace each in Linz and Donawitz from 2027 will result in material impacts on the workforce at these associated production workplaces. In order to counteract negative impacts on these workers, such as the threat of job losses, measures such as retraining and upskilling programs for green and future-proof technologies are being promoted. This aims to ensure that they remain employable.

Currently, there are no known material risks or opportunities in relation to voestalpine's own workforce.

SBM-3 – S2 Workers in the value chain

The materiality assessment identified a material risk with regard to potential financial claims due to labor exploitation in the supply chain. This risk results from the global distribution of the workforce and the unintended occurrence of labor or human rights violations. Possible financial burdens include sanctions—in particular in relation to the Supply Chain Due Diligence Act *(Lieferkettensorgfaltspflichtengesetz, LkSG)* and the Corporate Sustainability Due Diligence Directive (CSDDD)—as well as indirect economic disadvantages, such as a deterioration of sustainability ratings by relevant stakeholders.

When identifying potential impacts, risks, and opportunities in the value chain, voestalpine gives special consideration to the following groups of workers:

» Workers involved in the extraction of raw materials
» Workers in logistics
» Workers in metal processing for the production of pre-materials
» External contractors on the voestalpine premises

voestalpine takes a risk-based approach to supply chain management that takes into account industry and country-specific risks associated with supplier activities. For example, workers at companies that produce raw materials and input materials such as ores, alloys, and other metals are known to be at an increased risk of labor and human rights abuses. Countries and regions where these rights are frequently violated are given special attention by voestalpine in the identification and management of IROs.

A country-specific risk analysis has shown that certain countries in voestalpine's upstream value chain are at increased risk of human rights violations. In order to prevent human rights violations—including child labor and forced labor—in the upstream value chain to the greatest possible extent, above all in risk-prone regions, voestalpine relies on rigorous due diligence processes and mandatory compliance with its Code of Conduct for Business Partners.

In the past business year, voestalpine purchased its raw materials and input products such as ores, alloys, reducing agents, and other metals from around 40 countries. A comparison with the country-specific risk analysis shows that this also includes countries such as Brazil, China, India, Mexico, Zambia, South Africa, Türkiye, Ukraine, Vietnam, and Zimbabwe. These countries present a high risk of human rights violations, child labor and pollution, among other risks.

SBM-3 – S3 Affected communities

All affected communities that are likely to be materially impacted by our business activities and our value chain, including impacts from our products, services, and business relationships, are recorded in accordance with ESRS 2. In the course of the double materiality assessment, close cooperation and engagement with affected communities was identified as a material positive impact. The focus is on affected communities near the larger sites in Linz, Donawitz, and Kapfenberg. No material impacts, risks, or opportunities were identified for other communities, such as communities of indigenous peoples, or communities along or at the endpoints of the value chain.

Communities affected by material positive impacts arising from own activities in the vicinity of the aforementioned operational sites are:

» Direct neighbors of production and processing sites
» Political and (statutory/voluntary) advocacy groups
» Authorities and public organizations/bodies
» Science
» Civil society (non-governmental organizations, citizens' initiatives)
» General public, media

voestalpine maintains a continuous dialogue with the communities affected by its sites. Platforms for dialogues include event-related information and consultation events for local residents, regular coordination with authorities, and a publicly accessible whistleblower system. These measures promote social cohesion and community well-being, and allow voestalpine to better understand the social, cultural, and environmental issues faced by affected communities. As an employer, voestalpine also contributes to economic stability in many of the regions in which it is located. In order to present its contribution to society with transparency, voestalpine publishes data on research and development, the environment, employment, and tax and contributions paid on its website https://www.voestalpine.com/oesterreich/de/.

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities

METHODOLOGICAL FRAMEWORK

In 2024, voestalpine identified its material sustainability aspects using the double materiality assessment. voestalpine's double materiality assessment was carried out in accordance with the methods and steps described in the European Sustainability Reporting Standards (ESRS). In accordance with the principle of double materiality, two perspectives are taken into account in order to systematically record the interactions between the company and its environment:

Impact materiality (inside-out perspective): This perspective looks at the direct and indirect impacts of business activities on people and the environment. It examines the extent to which corporate practices affect people's well-being, social developments, or nature.