

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	Key
Establishment of sustainable supply chains	>>>	●●●●	Environment	● Actual positive impact
Strategic selection of partners			Suppliers	● Actual negative impact
			Local, national, and international authorities	○ 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	<p>Inclusion of the topic of biodiversity and ecosystems in the supplier survey for supplier engagement</p> <p>Expected results:</p> <ul style="list-style-type: none"> » 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.