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

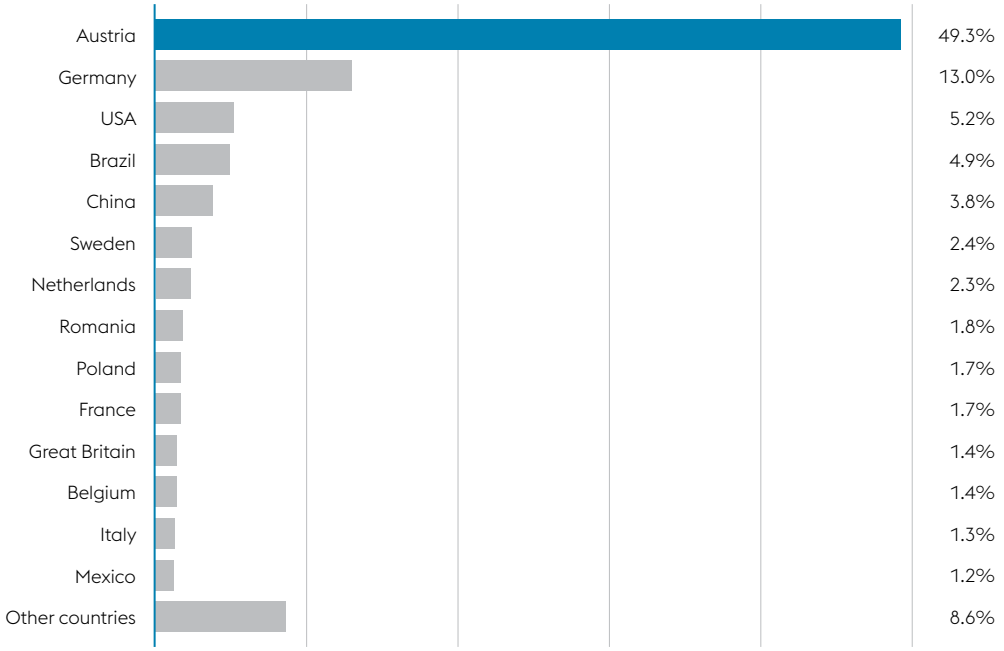
2024/25	Total	in %
Automotive	4,772.2	30%
Energy	2,711.7	17%
Railway systems	2,266.2	15%
Construction	1,503.6	10%
Mechanical engineering	1,280.7	8%
White goods/Consumer goods	651.2	4%
Aerospace	543.4	3%
Other	2,014.7	13%
Total revenue by industry	**15,743.7**	**100%**

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

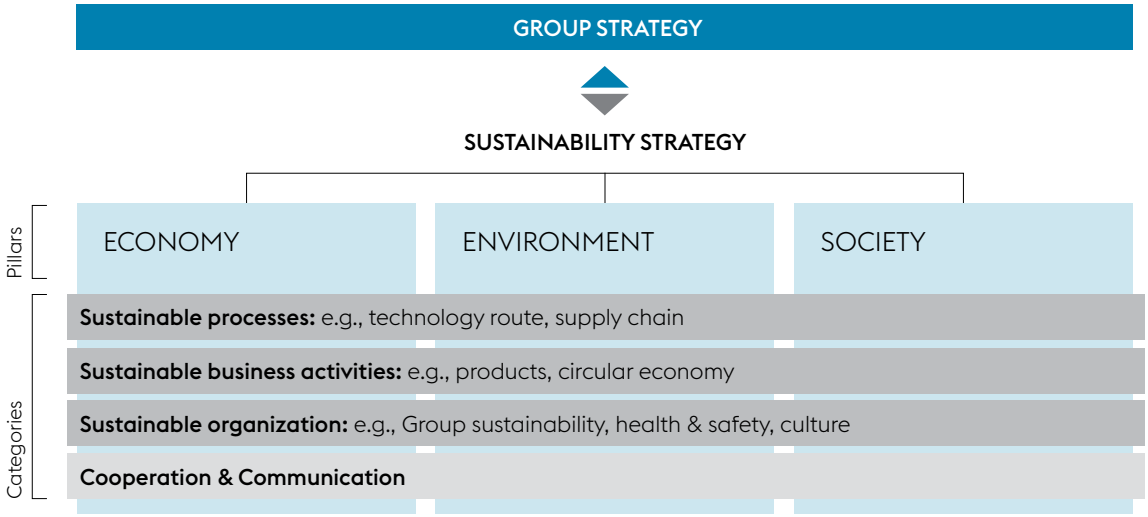
Country	Overall
Austria	24,323
Germany	6,406
USA	2,575
Brazil	2,436
China	1,879
Sweden	1,205
Netherlands	1,137
Romania	875
Poland	845
France	814
Great Britain	706
Belgium	675
Italy	663
Mexico	605
India	480
South Africa	429
Czech Republic	343
Spain	316
Australia	293
Türkiye	282
Hungary	275
Canada	208
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.