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
	>>	●●●●	p. 314
	>>	●●●●	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.