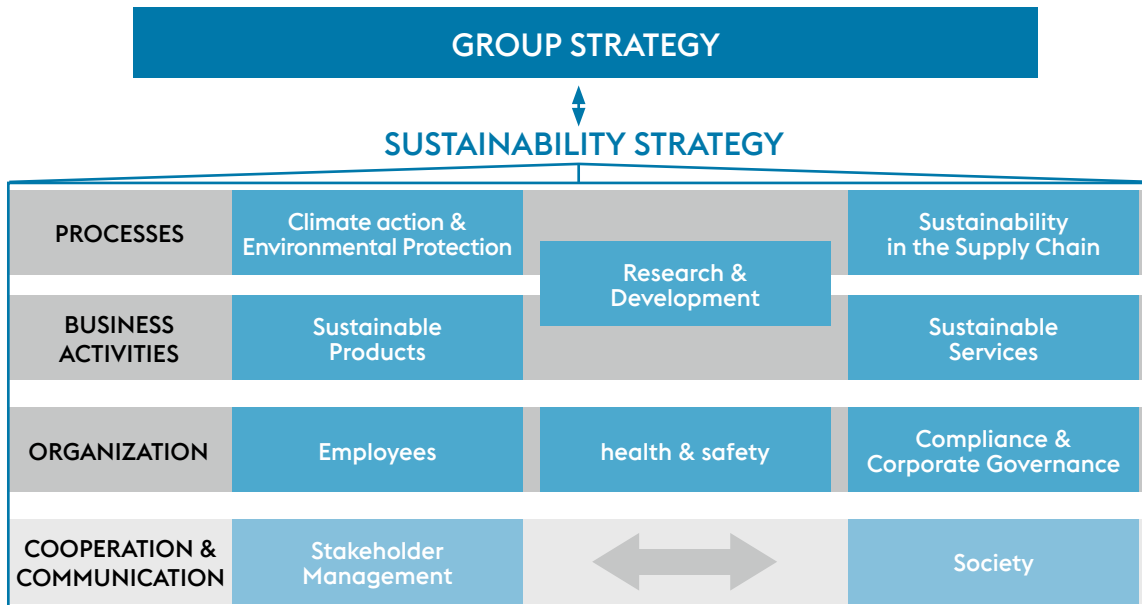


As far as the processes are concerned, the focus is on the contributions that both the internal processes and the supply chain make to achieving the SDGs and the company's sustainability targets. Sustainable business activity focuses on developing innovative and long-lasting products for and with customers, and on pushing the concept of the circular economy, also known as "circularity." The latter helps to improve the environmental footprint of the products and thus also of the customers. In addition, a wholly integrated approach to the circular economy strengthens the company's security as to raw material supplies thanks to expanded material cycles or the processing of by-products, and further reduces both the share of primary re-

sources needed for our processes and the quantity of waste generated. The safety and health of our employees, their training and continuing professional development as well as a respectful corporate culture are material elements of sustainable organizations.

The most recent crises sharpened our awareness of the fact that determined action is needed to overcome such events. This also applies to the climate crisis and other environmental, social, or economic force fields. voestalpine's Sustainability Strategy prescribes which spheres of action are decisive to the company's sustainable performance.

## 5.1 STRATEGIC SPHERES OF ACTION



The guidelines and goals specified and described below were defined for the strategic spheres of action.

## 5.1.1 CLIMATE ACTION AND ENVIRONMENTAL PROTECTION

**voestalpine continues to improve its carbon footprint by clearly committing itself to low-carbon production.**

We are meeting the challenge of decarbonizing the economic system in the long term especially through comprehensive research and development of new technologies, frequently via cross-sector cooperation agreements and projects. We also engage in an open and constructive dialogue with stakeholders such as political decision makers and environmental organizations.

Process-related emissions cannot be entirely avoided because existing production processes have certain chemical and physical properties. voestalpine operates its production facilities pursuant to the principle that the best available technologies must be applied as appropriate and in economically viable fashion. We also develop new approaches that aim to both minimize environmentally relevant effects on the air, soil, and water as best as possible and optimize the use of resources. voestalpine also maintains its leading position in environmentally friendly steel production and taps into the additional potentials of the circular economy.

**We have defined a target corridor of between 4 MWh and 4.5 MWh per ton of product for the specific total energy consumption; the target corridor for the recycling rate is between 27% and 30%. By 2025, all relevant production facilities should have implemented a standardized environmental management system (EMS) and obtained certifications pursuant to ISO 14001 or EMAS.**

voestalpine is committed to the global climate goals and has a clear plan for decarbonizing steel production with its greentec steel program. Hence the voestalpine Group undertakes as part

of the Science Based Targets initiative (SBTi) to lower its greenhouse gas (GHG) emissions. SBTi reviews these targets and validates that they conform to the Paris Agreement's climate goals based on the current state of the art in science.

**By 2050, voestalpine will be climate neutral.**

**The voestalpine Group plans to lower the sum total of its Scope 1 and Scope 2 emissions by 30% and its Scope 3 emissions by 25%—in each case by 2029 relative to the baseline year 2019.**

**By 2029, the Scope 1 emissions for steel production in Linz and Donawitz (both Austria) will be lowered by 30% to a total of 8.5 million tons in ways contingent on production.**

**The High Performance Metals Division has already put in place a steel production process that is based on the electric arc furnace (EAF) route. By 2029, it will have lowered its CO<sub>2</sub> emissions (Scope 1 and Scope 2) by 50%.**

**By 2035, the production activities of the Metal Forming Division—the Group's center of competence for highly refined sections, tubes, and precision strip steel products as well as for ready-to-install system components made of pressed, stamped, and roll-formed parts—will be climate neutral.**



## 5.1.2 SUSTAINABILITY IN THE SUPPLY CHAIN

**We pay attention to transparency in the supply chain and work toward ensuring responsible procurement.**

### **General Procurement**

voestalpine believes that creating sustainable supply chains consistently makes an important contribution to the Group's Sustainability Strategy. We started to implement our multi-year "Sustainability in the Supply Chain" roadmap in June 2022 and will continually adjust it to changing parameters over time. In order to fulfill the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz (LkSG)), the implementation work began with those companies in Germany that are directly subject to the Act. When selecting our suppliers, we ensure that they comply with both environmental and social precepts based on a risk classification model that uses predefined sustainability criteria. Both the requisite approach and the action steps are derived from this classification. The given requirements were included in voestalpine's Code of Conduct for Business Partners that was updated accordingly and adopted by the Management Board of voestalpine AG in March 2023. In calendar year 2023, suppliers worldwide will be notified of and sensitized to our Group-wide sustainability targets and our requirements regarding transparency in the supply chain as well as the updated Code of Conduct for Business Partners.

In November 2022, several virtual information sessions were held to brief all of the voestalpine Group's buyers on the Group's Sustainability Strategy and related activities, particularly in procurement.

voestalpine ensures through Group-wide buyer conferences and the three-stage "Purchasing Power Academy" that its employees in procurement are given ongoing training and CPD opportunities with respect to sustainability and compliance and that they are sensitized to these and other issues.

The procurement process is continually optimized in order to ensure compliance. The voestalpine Code of Conduct forms the basis of key actions and decisions in this respect.

### Raw Materials

Applying life cycle approaches (closed loop) together with our customers guarantees us the highest efficiency in the process of recycling our raw and reusable materials.

voestalpine faces the challenge of continually optimizing its supply chains jointly with its suppliers. Regular visits to the sources of raw materials and pre-materials, especially mines and deposits, are a fixed element of this process. Together, we develop methods for designing an efficient supply chain. New suppliers are assessed in terms of corporate responsibility, quality, and performance, and are included in the supplier portfolio when the evaluation findings are positive. The Sustainable Supply Chain Management (SSCM) project was used to screen our raw material supply chains from the bottom up, examining key factors pertaining to corporate responsibility. voestalpine ensures that absolutely all of its raw materials are subjected to this process, thus minimizing risk over the long term.

We ensure based on reports using the Conflict Minerals Reporting Template (CMRT) that all materials procured on behalf of the Group are “conflict free.”

**By 2025, voestalpine will evaluate 70% of the Group's total purchasing volume (especially 100% of all critical raw material deliveries) based on a defined rule book using sustainability criteria.**

The primary responsibility of raw materials procurement management is to secure the long-term, competitive supply of both raw materials and energy. A high degree of integration into upstream and downstream processes, scenario planning, and adaptive supply concepts serve to minimize potential risks.



### 5.1.3 RESEARCH AND DEVELOPMENT

**voestalpine develops innovative solutions for its customers and ensures that sustainability plays a key role in the development of both products and processes. Metallurgical know-how and processing expertise working in concert are the source of the company's high-quality products.**

voestalpine continually refines its products and processes, and conducts research on novel technologies, to ensure that it remains the benchmark for both resource efficiency and environmental standards.

We pursue active know-how management, both internally and externally, and consider this the key to our success in research and development. In its R&D activities, the company places great store in long-term and trusting cooperation arrangements not only with scientific partners but also with customers and suppliers.

voestalpine itself attends to the training and continuing professional development of its researchers. Both the sharing of knowledge within the Group and exchanges among professionals leverage synergies. Knowledge available throughout the Group along with activities aimed at developing sustainable processes and products are successfully brought together in cross-divisional projects.

**Our R&D projects serve to achieve sustainability as per our innovation policies. Moreover, large projects also take specific sustainability criteria into account.**



### 5.1.4 SUSTAINABLE PRODUCTS AND SERVICES

**We offer our customers sustainable products and services that make positive contributions—environmentally, economically, and socially—throughout their entire useful life. Certified life cycle assessments (LCAs) of our products help to reduce our customers' carbon footprint.**

**By 2025, life cycle assessments will have been carried out for all key product groups to compile a catalog of their environmental impact, taking all phases of the value chain into account.**

We support holistic, comprehensive, and integrated analyses and assessments of materials (i.e., LCAs) as well as of all process and value chains within the parameters of the circular economy.



## 5.1.5 HUMAN RESOURCES

**High levels of commitment and above-average employee loyalty are key pillars of our success. We rely on a corporate culture that is defined by diversity and respect, and on providing solid employee training and CPD to all groups of employees.**

**Corporate culture:** We create a respectful corporate culture in which we expect and encourage trust, diversity, self-determination, and personal responsibility. voestalpine's culture, as a symbol of its Group-wide identity, is continually being refined in this sense.

**Diversity:** We value the individuality of all our employees and their capabilities—irrespective of gender, age, origin, religion, sexual orientation, or potential disability—and create the conditions for equal opportunity as well as work that maintains people's health and is appropriate to life's different phases.

**Training and continuing professional development (CPD):** Targeted measures help voestalpine's employees gain qualifications and thus broaden their career opportunities. We believe, furthermore, that both training young people and encouraging lifelong learning are long-term determinants of the company's success.

**Employee loyalty:** To ensure long-term employee retention, we regularly evaluate the level of their commitment to the company through a world-

wide employee survey. To increase this value over the long term, we develop suitable measures after analyzing the survey findings and continually track and measure implementation and target achievement.

**We create the general framework for equal opportunities and work to raise the percentage of women in executive positions, technical fields, and among technical apprentices.**

**We provide a diverse range of offerings in connection with employee training and CPD, continually increase the number of apprentices and trainees, and offer internal executive management training.**

**We carry out employee surveys at regular intervals. The goal is to continue strengthening employees' commitment and deepening their loyalty to the company.**



### 5.1.6 health & safety

**We promote our employees' health and continually enhance the safety of our workplaces. Employee safety and health are key concerns at voestalpine and thus have highest priority.**

We work to further reduce the frequency of accidents and to improve the health of all employees of the voestalpine Group—wherever they work, whatever their position.

We believe that Group-wide minimum safety standards are the basis for a successful corporate health & safety culture.



**Zero Accidents: Fatalities and workplace accidents must be prevented.**

**We continue to work on lowering the lost time injury frequency rate (LTIFR) and plan to achieve a 30% reduction of this rate by 2025 compared with 2020.**

### 5.1.7 COMPLIANCE UND CORPORATE GOVERNANCE

#### Compliance

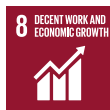
**We have implemented an efficient Compliance management system that comprises “risk analysis/prevention,” “identification,” and “reaction.”**

We commit to complying with all applicable laws in all the countries in which voestalpine operates. We believe that Compliance is the expression of a culture rooted in ethical and moral principles. We commit to upholding human rights in accordance with both the International Bill of Human Rights and the UN Guiding Principles (UNGPs) on Business and Human Rights, and we support the UN Global Compact (UNGC).

**Compliance violations must be prevented. It is our goal, therefore, to sensitize all employees to these issues and ensure that they know the Group's policies.**

#### Corporate Governance

To foster responsible management and control of the Group aimed at creating sustainable shareholder value in the long term, the Group's Management Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Corporate Governance Code (the “Code”). In the business year 2022/23, voestalpine AG complied with the Code's mandatory “L Rules” as well as with the “C Rules” (excepting C Rule 39 from which it deviated) and all “R Rules.”



### 5.1.8 STAKEHOLDER MANAGEMENT

**We are in contact with all relevant stakeholders and engage in a responsible, solution-oriented, and transparent dialogue with them. Our stakeholder management is based on established sustainability criteria and standards.**

We regularly engage with a very wide range of stakeholder groups through our Management Board as well as our executive and non-executive personnel. Numerous formats such as shop talks and expert roundtables, conferences and trade shows as well as analyst and investor

meetings are used to this end. Subject to its Code of Conduct, voestalpine not only actively participates in a wide variety of bodies serving advocacy groups, trade associations, and lobbying campaigns but also presents the company's concerns to these bodies. We also support international and local platforms as well as initiatives that serve to promote climate-neutral and competitive economic centers.



### 5.1.9 SOCIETY

**voestalpine's Group companies are not just successful worldwide: They also engage socially with the environment in which they operate.**

The company's relationships with key local stakeholders that have evolved through the years provide insight into social, cultural, and environmental issues facing the given communities. We review concrete opportunities for action

in order to strengthen the social compact and enhance the well-being of humans and nature that are affected by our activities. We support non-profit projects pertaining to educational, youth-centered, cultural, and social affairs. We rely on common values and seek to improve the lives of people living in the environs of our facilities.

