

4. STAKEHOLDER AND CR MANAGEMENT

Stakeholders are individuals and institutions who, for private or professional reasons, are interested in an organization because they are affected by the organization's actions or because they can influence its development.

Identifying the relevant stakeholders and analyzing their requirements, interests, and expectations was one of the core tasks to which voestalpine devoted itself in a structured and

comprehensive manner in the business year 2023/24 as part of its materiality analysis. The list of stakeholders is reviewed at regular intervals to ensure that it is complete and up to date.



Management has the important task of maintaining the company's relationships with its stakeholders, taking up their concerns and rec-

onciling divergent interests as best as possible. This has been and is the basis of voestalpine's successful and sustained development.

4.1 STAKEHOLDER COMMUNICATION

voestalpine is in regular contact with the stakeholder groups through its Management Board, as well as its executive and non-executive personnel. Numerous opportunities and formats such as shop talks and expert roundtables, conferences and trade shows, as well as analyst and investor meetings are used to this end.

In addition, voestalpine is not only represented on a wide variety of bodies serving advocacy groups, trade associations, and lobbying campaigns, it also presents the company's concerns to these bodies. voestalpine also supports platforms and initiatives that promote sustainable development. During the reporting period, com-

munications with individual stakeholder groups regarding the topics relevant to the given group took place in various settings.

The following capsule descriptions show how contacts and communications with the stakeholders are structured. The examples presented show the key stakeholder groups and the most frequently used formats. voestalpine's executives also engage with other groups at different locations in various ways.

4.1.1 EMPLOYEES

The voestalpine Group currently has a global workforce of about 51,600 employees. Both the annual employee performance review and the regular Group-wide employee survey are key tools for engaging in structured communications with the company's employees. Employees' feedback is analyzed by management and flows into any measures 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 maintain an open dialogue with management.

Through internal audits and trainings—for example, in Compliance, health & 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.

4.1.2 CUSTOMERS AND SUPPLIERS

voestalpine maintains very 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 cooperation. Together with these partners, the company develops processes and products that satisfy the requirements of all parties involved and ensure low-impact utilization of resources.

Issues of sustainability are increasingly moving to the center of voestalpine's communications with customers and suppliers. Besides conventional supply chain management issues such as quality, costs, availability, and delivery dates, in-

creasingly the conversations are also focused on climate action, energy and resource efficiency as well as compliance with labor and human rights in production.

The voestalpine Code of Conduct is binding on all of the Group's suppliers and business partners and forms part of its terms and conditions. For more information on this issue, please see the chapter "Transparency in the Supply Chain."

4.1.3 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 company's Management Board and the managers of its Investor Relations department use investor conferences and roadshows as well as personal visits to stay in close contact with its shareholder representatives and investors and discuss cur-

rent issues and market conditions. As far as the topic of sustainability is concerned, climate relevant emissions and risks, human rights in both the company and the supply chain, as well as the EU Taxonomy Regulation, are the central concerns discussed with analysts and investors alike.

4.1.4 RESEARCH INSTITUTES AND UNIVERSITIES

voestalpine's collaboration with both 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.

4.1.5 NGOS, SPECIAL INTEREST GROUPS, AND PLATFORMS

Representatives of voestalpine belong to various working groups and committees of special interest 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 Association of the European Rail Industry (UNIFE) in order to present its views on various 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 not-for-profit organization and policy initiative that focuses on the sustain-

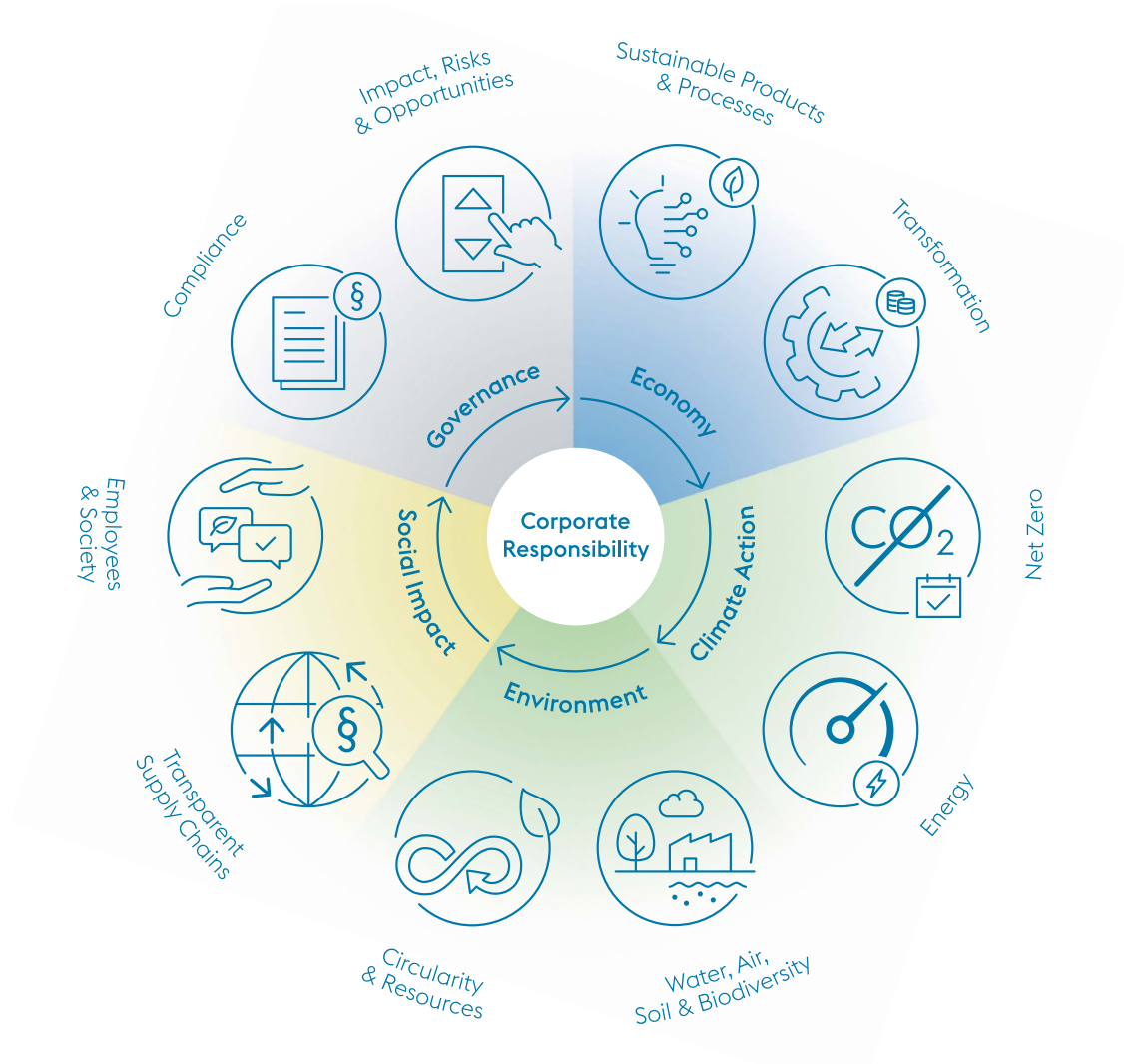
able production of steel and the sustainable procurement of both raw and other materials. voestalpine actively engages in the ongoing development of the standard on which these policy initiatives are based. In the Northern summer of 2021, the Group's largest steel plant (located in Linz, Austria) submitted to an audit process aimed at obtaining the certification pursuant to the ResponsibleSteel Standard; it is one of the very first steel companies to have done so. A surveillance audit required by the audit process was also successfully completed in March 2023.

voestalpine 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.

4.2 CORPORATE RESPONSIBILITY MANAGEMENT & GROUP SUSTAINABILITY

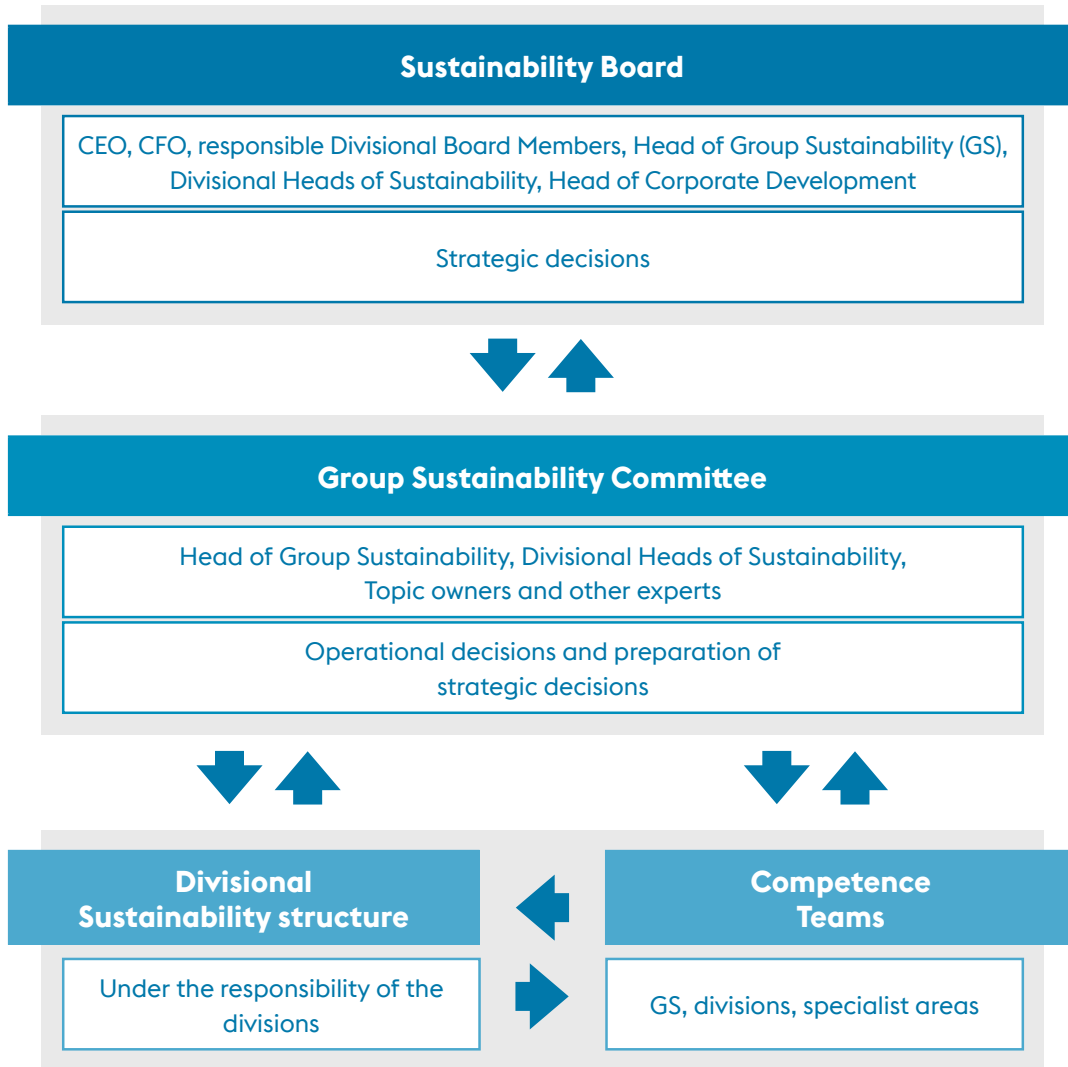
The newly created Group Sustainability department at Group level has been responsible for corporate responsibility management at voestalpine since May 2023. Group Sustainability is the central coordination point for all items on the sustainability agenda within voestalpine and it represents the company externally at numerous events and initiatives re-

lated to corporate responsibility and sustainability. The following diagram shows the key areas of action in voestalpine's corporate responsibility management, as identified by the department's employees. The team actively contributes towards continuous improvement of voestalpine's performance in these areas through its work.



Furthermore, a secondary organization was implemented in the reporting period in the form of a board and committee structure in order to en-

sure consistent cross-functional and cross-divisional cooperation at all levels.



Chaired by the CEO, the Sustainability Board is made up of the CFO, the Management Board members responsible for sustainability from the divisions, the Heads of Group Sustainability, and the Divisional Heads of Sustainability, as well as the Head of Corporate Development.

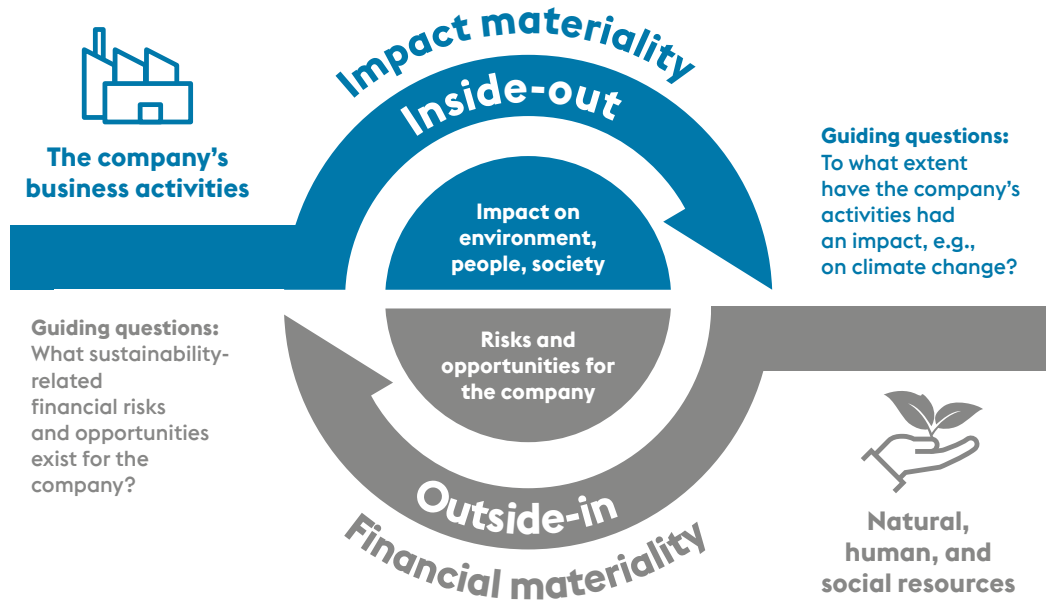
This Committee meets several times each year and discusses topics that are brought to voestalpine's attention by stakeholders or that are becoming increasingly important in the on-

going sustainability debate. The direct and indirect effects of voestalpine's business activities in connection with sustainability aspects are discussed. However, the focus is also on the financial risks and opportunities that arise in the short, medium, and long term. Based on this, strategic decisions are made in the committee and measures are adopted to minimize negative effects and risks and to take advantage of any opportunities that arise.

4.3 MATERIALITY ANALYSIS

The materiality analysis tool is used to identify the sustainability issues that are relevant to a company and its stakeholders. The materiality analysis must be carried out in accordance with international standards (e.g., those under the Global Reporting Initiative; GRI) and in accordance with the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). Those topics on which quantitative data and descriptive information must be disclosed in the sustainability report must be defined as part of the materiality analysis. At the same time, it also forms an important basis for strategic alignment and operational planning in the areas of environmental, social, and governance (ESG).

According to the requirements under the CSRD, the direct and indirect impacts of the company on people and the environment (= impact materiality from the inside-out perspective) and the financial risks and opportunities for the company (= financial materiality from the outside-in perspective) must be assessed as part of the materiality analysis. An issue is deemed to be material if it is assigned impacts, opportunities or risks whose assessment is above a threshold value that is to be defined.



The company carried out an in-depth materiality analysis during the reporting period in preparation for the CSRD reporting obligation that will apply to voestalpine from the business year 2024/25. The sustainability aspects were evaluated and prioritized according to the principle of double materiality in accordance with the

requirements under the European Sustainability Reporting Standards (ESRS). The ESRS represent the framework developed by the EU that all companies subject to the CSRD regulations must use when disclosing their sustainability information.

4.3.1 METHODOLOGY FOR MATERIALITY ANALYSIS

The materiality analysis was carried out by a core project team made up of employees from the Group Sustainability department and those responsible for sustainability in the divisions. All decisions that had to be taken as part of the materiality review were made by consensus in the core team. The process was supported by a specialized consulting firm. Its task was to ensure compliance with the formal requirements of the ESRS and to ensure that fact-based and objective decisions were taken in the workshops.

The process of identifying the topics to be considered began with the creation of a list of sources and collation of the topics listed within this. Following the recommendations of the EFRAG implementation guidelines for the materiality analysis, the GRI Standards, the ISSB Standards and international due diligence instruments were used as primary sources in addition to the ESRS for collating topics that could potentially be material along the value chain. The team also considered other sources, such as peer reviews and the WEF's Global Risks Report 2023,

which contains the results of the latest Global Risks Perception Survey (GRPS). This enabled around 260 potentially material sustainability aspects to be collated in an unconsolidated pool of topics.

This was followed by a consolidation of overlapping or equivalent topics. This "longlist" was compiled with a total of 49 topics. As part of an initial high-level analysis of the company-specific impacts, risks or opportunities, the list was narrowed down to around half as many topics (the shortlist). A brief contextual description was then created for each of these topics in order to provide a clear and consistent understanding of what each topic entails and to distinguish these from each other. Stakeholders were then surveyed in order to obtain their assessment of the topics and then in a final step, the impacts, risks, and opportunities (IROs) associated with the individual topics were identified and assessed with the involvement of all relevant specialist departments.

4.3.2 SELECTION AND INVOLVEMENT OF STAKEHOLDERS

The core project team selected the stakeholders who were involved. Prior to this selection, a discussion was held with the voestalpine stakeholder management expert from the Public Affairs department. Based on this, the stakeholders who could potentially be involved were assessed in a workshop in terms of their importance and accessibility. Importance was measured by the level of interest of a stakeholder group in the sustainable development of voestalpine, and the extent of its influence on the company. The importance rating was crucial in determining whether a stakeholder group should be involved, and the accessibility rating determined how this should be achieved.

Stakeholders were involved in two different ways, namely through in-person interviews and a broad-based anonymous online survey. Both methods have their advantages which were united by means of their combined application. The online survey was able to reach a large number of people and thus achieve a

high level of representation and statistical validity of the evaluation. Various aspects were discussed in detail in the interviews with individual stakeholders and representatives of interest groups, with a deeper understanding gained of their perspectives and concerns.

voestalpine employed both these formats to involve a total of 130 internal and external stakeholders from five categories (employee representatives, suppliers, customers, shareholders and investors, governmental and non-governmental organizations) in defining the key topics for the CR Report. In addition to the quantitative assessment of the topics on a scale of one to seven, qualitative questions were also asked and evaluated.

4.3.3 IMPACT, RISK AND OPPORTUNITY (IRO) ASSESSMENT

A workshop-based approach was chosen to identify and evaluate the IROs. Existing risk matrices for the specialist areas, risk lists available publicly, such as the list of transitory risks and physical risks from the EU taxonomy and CSRD/ESRS, as well as research results were used for this purpose. Additional IROs were collated by the core project team in workshops, including those identified in the stakeholder survey. All IROs were assessed in multiple workshops in terms of their severity or potential severity and their probability.

The extended core team clarified questions in the final workshop, in particular on those IROs that had previously been assessed to be contentious. Different points of view were presented and ambiguities clarified in this process in order to ultimately arrive at a final assessment that was supported by everyone.

Once the workshop had been completed and the results of the stakeholder survey had been taken into account, the threshold values for the material topics were defined and the topics falling below these thresholds were considered to be less material and eliminated.

4.3.4 MATERIAL TOPICS

The contents of this report are still based on the topics previously assessed as material. The materiality analysis carried out in the 2023/24 business year forms the basis for the sustainability declaration from the 2024/25 reporting year,

which is binding in accordance with the ESRS. The final results of the materiality analysis were presented at a Sustainability Board meeting in early May 2024 and approved by the Board.

The following topics were identified as material in the materiality analysis:

Environment, Climate, Energy	1 Climate change and emissions
	2 Energy use
	3 Air pollution
	4 Water pollution
	5 Soil contamination
	6 Substances of (very) high concern
	7 Water consumption
	8 Biodiversity (ecosystems and species)
	9 Metals: resource use, circular economy, and waste
	10 Other materials: resource use, circular economy, and waste
Social Issues	11 Fair working conditions for all employees
	12 Safe & healthy working conditions for all employees
	13 Equal opportunities for all employees
	14 Rights and conditions of employees in the value chain
	15 Communities affected
Governance, Compliance, Innovations	16 Corporate culture
	17 Business and political relations
	18 Ethical business conduct
	19 Innovation and R&D



Corporate
Responsibility