ENVIRONMENTAL INFORMATION

DISCLOSURES REQUIRED BY THE EU TAXONOMY REGULATION

GENERAL INFORMATION ON THE TAXONOMY

Since January 1, 2022, public-interest entities in the EU with more than 500 employees must classify their economic activities in accordance with the EU Taxonomy Regulation and publish the results in their consolidated sustainability reporting (pursuant to the requirements of Section 267a and Section 243b Austrian Commercial Code (UGB)). All economic activities are to be classified as to their environmental sustainability.

When classifying its economic activities, voestalpine at times refers to the FAQs on the application of the EU taxonomy published in the EU Official Journal on October 20, 2023, and to the FAQs from March 5, 2025.

Assessment of alignment with the taxonomy regulations is carried out in a multi-stage process in which it is first determined whether an economic activity is taxonomy-eligible (i.e., in principle covered by the Taxonomy Regulation), and subsequently whether it is also taxonomy-aligned. Economic activities of a company that are not covered by the Taxonomy Regulation are not taxonomy-eligible.

The taxonomy-eligible economic activities must make a significant contribution to at least one of the environmental objectives listed below in order for them to be classified as taxonomy-aligned. In addition, they must not significantly impair the achievement of other environmental goals (Do No Significant Harm; DNSH) and must meet minimum social protection criteria (minimum safeguards), e.g., with respect to occupational safety and human rights.

The EU Regulation identifies six environmental objectives:

1. **Climate change mitigation**
2. **Climate change adaptation**
3. **Sustainable use and protection of water and marine resources**
4. **Transition to a circular economy**
5. **Pollution prevention and control**
6. **Protection and restoration of biodiversity and ecosystems**

In implementing the EU Taxonomy Regulation, voestalpine classified all of its economic activities as related to the "climate change mitigation" objective. This also prevents activities from being counted twice.

DESCRIPTION OF THE MULTI-STAGE TAXONOMY PROCESS

Taxonomy-eligible
» Contribution to one or more environmental objectives
» Allocation to taxonomy-eligible economic activities

not fulfilled → not taxonomy-eligible

fulfilled

Material contribution
» Fulfills technical assessment criteria of the environmental objectives

not fulfilled → taxonomy-eligible / not taxonomy-aligned

fulfilled

Do No Significant Harm (DNSH)
» Does not undermine the other environmental objectives

not fulfilled → taxonomy-eligible / not taxonomy-aligned

fulfilled

Minimum safeguards
» Complies with fundamental principles and rights related to work (ILO) and human rights

not fulfilled → taxonomy-eligible / not taxonomy-aligned

fulfilled

Taxonomy-aligned

IMPLEMENTATION OF TAXONOMY ELIGIBILITY IN THE voestalpine GROUP

The assessment of voestalpine's economic activities with regard to their taxonomy eligibility was carried out for the first time in the business year 2021/22. Environmental goals 3 to 6 were also analyzed and evaluated with regard to their taxonomy eligibility as part of the business year 2023/24 reporting.

A project team comprising personnel from the Group's Finance, Investor Relations, Environment, and Group Sustainability departments along with experts from each division was set up to this end. External experts were also consulted, including technical experts and scientific experts. In addition, clarifying interpretations and statements from European industry associations, such as the rail industry association UNIFE, were taken into account in the assessment.

The implementation process included reviewing the taxonomy eligibility of all Group entities. In addition, ongoing evaluation is carried out with regard to the applicability of the business activities to all environmental objectives.

This analysis identified economic activities of the voestalpine Group as taxonomy-eligible and allocated them to the following categories under the climate change mitigation objective:

» **3.9 Manufacture of iron and steel**
The voestalpine Group engages in steel production based on the blast furnace route in Linz, Austria (Steel Division), and in Donawitz, Austria (Metal Engineering Division). The High Performance Metals Division engages in steel production based on electric arc furnace technology at two plants in Europe (Kapfenberg, Austria; and Hagfors, Sweden) and one in South America (Sumaré, Brazil).

» **6.14 Infrastructure for rail transport**
Worldwide, the voestalpine Group produces material components for railway infrastructure (Metal Engineering Division). These components include rails, turnout systems (from components to pre-assembled complete systems including drives, locking systems, and monitoring equipment), diagnostic and monitoring systems, as well as railway infrastructure services (logistics, rail treatments, rail welding, rail grinding, recycling, etc.).

DETERMINATION OF TAXONOMY ALIGNMENT

The underlying technical assessment criteria must be fulfilled in order for an economic activity to be classified as "environmentally sustainable" under the taxonomy regulations. These are quantifiable guidelines (environmental targets) on how an activity should be assessed in terms of its contribution to the respective environmental target. The Taxonomy Regulation specifies this significant contribution to the respective environmental target and also defines whether these economic activities cause significant harm to any of the relevant environmental targets. The DNSH criteria (Do No Significant Harm) must therefore also be observed in addition to the significant contribution criterion. This review must provide evidence that a given economic activity does not undermine the other environmental objectives.

voestalpine makes comprehensive contributions to climate change mitigation. As far as the business activities related to the production and downstream processing of steel are concerned, they are generally deemed to contribute substantially to climate change mitigation as long as they fulfill the significant contribution to the environmental goal of climate change mitigation pursuant to Category 3.9 or are lower than the predefined limits on CO_2 emissions. As far as the business activities of voestalpine Railway Systems 6.14 are concerned, they are generally deemed to make a substantial contribution to climate change mitigation as long as they fulfill the technical assessment criteria set forth in that category. The services of voestalpine Railway Systems fulfill the requirement that they are suitable for the use of trains with no direct CO_2 exhaust emissions. Services for rail tracks that are only intended for the transportation of fossil fuels are not included.

A comprehensive DNSH conformity assessment was carried out for the relevant economic activities (3.9, 6.14).

The review of the DNSH criterion regarding the environmental objective "climate change adaptation" was conducted using a simulation-based software tool for identifying, quantifying, and disclosing physical climate risks to the relevant operating sites. A detailed climate risk and vulnerability analysis was performed for all relevant sites based upon this review. The representative concentration pathways RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5 of the future scenarios used by the Intergovernmental Panel on Climate Change (IPCC), the assessment reports on climate change by the IPCC, and central

Copernicus services of the European Commission are used as the methodological basis. Adaptation solutions were determined as necessary and implemented based on the findings of this climate risk and vulnerability assessment.

In addition, the voestalpine Group also uses its management systems, such as the environmental management systems certified according to ISO 14001 or EMAS, which are widely implemented in the companies worldwide, to fulfill the DNSH criteria. These systems ensure that environmental impacts are identified and reviewed as to their relevance to a given operating site's local environment and that any adaptation solutions aimed at impact mitigation are developed as necessary.

In particular, these analyses comprise and/or take into account environmental matters such as water (sustainable use and protection of water and marine resources) and biodiversity (protection and restoration of biodiversity and ecosystems).

In order to prevent and reduce environmental pollution, the voestalpine Group has created processes in its companies that ensure the production, use, and marketing of substances in accordance with the national laws on chemicals.

In accordance with the DNSH requirements, certain bans and restrictions on substances based on European specifications must be observed, and substances with properties of very high concern may only be used if no other technically and economically suitable alternative substances or technologies are available on the market. If such a replacement is not yet possible, these substances must be used under controlled conditions. The Group-wide review of the DNSH compliance criteria came to the conclusion that these are already met to a very high degree at the sites carrying out the relevant economic activities. Non-compliant sub-areas were excluded from the calculation of the relevant key figures. Appropriate measures have been introduced to increase the degree of fulfillment on a continuous basis.

The dynamic development of EU Taxonomy Regulations may lead to adjustments to economic activities and adaptations to the assessment criteria in the future.

MINIMUM SAFEGUARDS

All economic activities that contribute substantially to at least one of the six environmental objectives, do not adversely affect another objective, and fulfill the (social) minimum safeguard requirement are recognized as being environmentally sustainable. In accordance with Article 18 of the EU Taxonomy Regulation, the review of the minimum social protection of workers and compliance with human rights is also the final stage of taxonomy alignment. This serves to ensure that a given economic activity is undertaken in compliance with international human rights standards as well as rules and regulations regarding issues such as bribery, corruption, taxation, and fair competition. The standards specified in Article 18 identify four core topics in regards to which alignment with minimum safeguards is defined.

The following guidelines and standards must be complied with:

» OECD Guidelines for Multinational Enterprises
» UN Guiding Principles (UNGPs) on Business and Human Rights
» ILO Declaration on Fundamental Principles and Rights at Work (“ILO Core Conventions on Labor”)
» International Bill of Human Rights

The Platform on Sustainable Finance (PSF) takes up the following central issues as they apply to social minimum safeguards:

» Human rights (incl. rights of workers)
» Avoidance of bribery and corruption
» Taxation
» Fair competition

voestalpine has already surveyed the aforementioned topics of the Platform on Sustainable Finance on a Group-wide basis in the past. This is also covered comprehensively in this sustainability statement (see, for example, sections S1, S2 on human rights, and G1 on the topic of anti-corruption).

SIGNIFICANT CHANGES FROM THE PREVIOUS YEAR

Initial application of the Omnibus Directive

In the current reporting year, voestalpine has made use of the option of early application of the Omnibus Directive in the context of EU taxonomy reporting (Delegated Regulation 2026/73). The initial application of the Omnibus Directive did not result in any material impacts to the underlying structure of the EU taxonomy indicators; but a materiality threshold of 5% was introduced in relation to the corresponding aggregate indicators for each economic activity. If the analysis of economic activities for revenue, CapEx, and OpEx produced values below 5%, the economic activity in question was classified as an unassessed/immaterial economic activity and therefore not separately reported. According to the Omnibus Directive, the cumulative unassessed/immaterial economic activities may not exceed 10% of the total reported for each KPI (revenue, CapEx, OpEx). In the current business year, CapEx accounts for the highest unassessed/immaterial activities of 4.8%. In addition, the new reporting forms according to the Omnibus Directive were applied for the first time in the reporting year. The change concerns in particular the structured presentation of the revenue, CapEx, and OpEx indicators and aims to simplify and improve the comparability of disclosures.

In addition, cross-cutting activities had no material impact on business activity or the taxonomy KPIs in prior reporting periods and were therefore subject to simplified reporting as taxonomy-non-eligible. However, the new taxonomy templates also require companies to report the percentage shares of the respective KPIs that are classified as immaterial and unassessed. The Omnibus Directive requires immaterial activities to be quantified starting from the current reporting period in order to ensure compliance with the threshold. The voestalpine Group has defined the following as unassessed/immaterial activities: economic activity 3.21 "Manufacturing of aircraft," economic activity 6.2 "Freight rail transport," and activities in class 7 "Construction and real estate." These are not reported separately; they are recorded in the template as immaterial activities. Reporting is thus carried out in accordance with the updated regulatory requirements. voestalpine will continue to monitor developments in regulatory requirements related to the EU Taxonomy Regulation and Omnibus Directive and will adapt its reporting accordingly if necessary.

Economic activity 6.2. Freight rail transport

The scope of the reported taxonomy-eligible economic activities was reviewed as part of the materiality assessment following the initial application of the Omnibus Directive. It was decided that economic activity 6.2 “Freight rail transport” would no longer be recorded as material in the year under review. This decision is based on the quantitative assessment of the associated performance indicators. The proportions of revenue, CapEx, and OpEx attributable to economic activity 6.2 are each below the materiality threshold of 5% in relation to the Group’s corresponding figures. Against this backdrop, this economic activity is not considered to be material for voestalpine’s EU Taxonomy reporting.

RESULTS OF THE KPIS

The following summarizes the performance indicators of revenue, CapEx, and OpEx from taxonomy-eligible and taxonomy-aligned economic activities of voestalpine for each environmental target for the business year 2025/26.

2025/26					Breakdown of taxonomy-aligned activities by environmental objective										
KPI	Total	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transition activities	Immaterial, unassessed activities[1]	Taxonomy-aligned activities in the previous business year 2024/25	Proportion of taxonomy-aligned activities in the previous business year 2024/25
Revenue	15,063.1	14.8%	2,023.4	13.4%	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	0.0%	2.4%	1,911.2	12.2%
CapEx	949.7	49.9%	381.8	40.2%	40.2%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	31.9%	4.8%	237.4	20.4%
OpEx	993.0	33.8%	102.1	10.3%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	8.1%	2.2%	2.9%	114.2	10.9%

[1] The immaterial unassessed KPIs stem from economic activities 3.21 Manufacturing of aircraft, 6.2 Freight rail transport, and class 7 Construction and real estate.

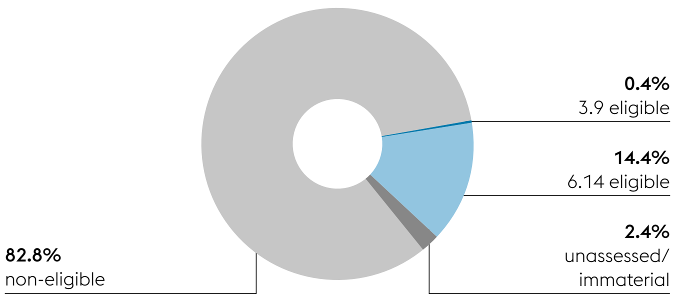
Taxonomy-eligible/aligned revenue

Pursuant to the EU Taxonomy Regulation, revenue as per IAS 1.82(a) must be used to determine the taxonomy-eligible revenue. The revenue figures equate to the revenue shown in the Consolidated Income Statement of this Annual Report and thus are used as the denominator for the calculation in the following table. The numerator includes OpEx generated by economic activities covered by the EU Taxonomy Regulation. The current review for compliance in the 2025/26 business year resulted in 13.4% taxonomy-aligned revenue, all of which is attributable to revenue from the railway infrastructure segment.

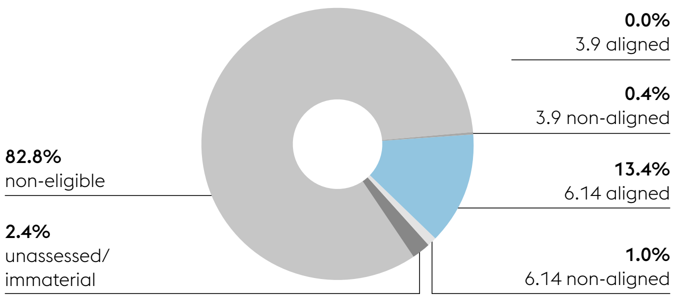
This leads to the following classification for the voestalpine Group:

2025/26					**Taxonomy-aligned activities by environmental objective**								
Economic activities	**Code**	**Taxonomy-eligible revenue**	**Taxonomy-aligned revenue**	**Taxonomy-aligned revenue**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transition activity**	**Taxonomy-aligned share of taxonomy-eligible activities**
Manufacture of iron and steel	CCM 3.9/CCA 3.9	0.4%	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		T	0.0%
Infrastructure for rail transport	CCM 6.14/CCA 6.14	14.4%	2,023.4	13.4%	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	E		93.1%
Total alignment by objective					**13.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**			
Total revenue		**14.8%**	**2,023.4**	**13.4%**	**13.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**13.4%**	**0.0%**	**90.7%**

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



Taxonomy-eligible/aligned capital expenditure (CapEx)

Additions to assets—including additions from business combinations to property, plant and equipment; intangible assets; and right-of-use assets under leases—were utilized as the basis for determining the taxonomy-eligible CapEx. Investments via joint ventures, investments in financial instruments as well as additions to goodwill were not considered. Due to the clarification of FAQ 2023/305 item 31, which stipulates that capital expenditure should only be recognized when it is recognized in accordance with the relevant invoicing standards, the additions to advance payments made were excluded from the additions to the CapEx KPI. When the underlying property, plant and equipment/intangible assets are capitalized, the advance payments made on the respective asset are reclassified and also allocated to the additions to the CapEx KPI. This approach may result in a shift between the business years. The difference between the capital expenditure used here in the denominator and the data published in Note D.2. Operating segments in the notes to the Consolidated Financial Statements relates to goodwill additions and the above-mentioned change in advance payments made. The numerator includes CapEx that relates to assets or processes that are associated with taxonomy-eligible or taxonomy-aligned economic activities and are part of the CapEx plan.

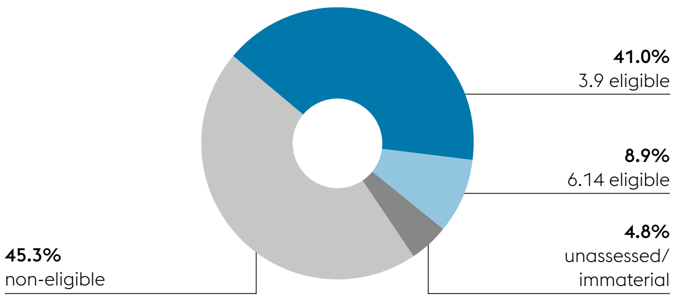
In terms of CapEx, the taxonomy-aligned share is 40.2% (EUR 381.8 million). With greentec steel, voestalpine has developed an ambitious phased plan for low-carbon steel production. As part of the first stage of the phased plan, one green electricity-powered electric arc furnace (EAF) will be built in Linz and one green electricity-powered electric arc furnace system in Donawitz. This will make it possible to produce around 2.5 million tons of CO_2-reduced steel each year from 2027 following the ramp-up. This first phase of the greentec steel flagship project is also included in the CapEx plan. The individual processes within the scope of future EAF production are to be regarded as independent production units, which will be integrated into the existing plant configurations at the Linz and Donawitz sites. Taxonomy alignment within the context of economic activity 3.9 Manufacture of iron and steel can be determined for electric arc furnaces as an independent production unit with the corresponding technical screening criteria under the environmental objective of climate change mitigation. The CapEx plan has a total volume of EUR 1.5 billion and is expected to be completed in the 2027/28 business year. In the past business year, EUR 292.7 million (2024/25: EUR 134.4 million) was classified as taxonomy-aligned under economic activity 3.9 Manufacture of iron and steel.

The taxonomy-aligned CapEx of EUR 381.8 million is made up of additions to property, plant and equipment and intangible assets of EUR 371.1 million; additions to property, plant and equipment and intangible assets from business combinations of EUR 2.0 million; and the change in advance payments of EUR 8.7 million. The total CapEx of EUR 949.7 million is made up of additions to property, plant and equipment and intangible assets of EUR 1,066.1 million; additions to property, plant and equipment and intangible assets from business combinations of EUR 2.2 million; and the change in advance payments of EUR –118.6 million.

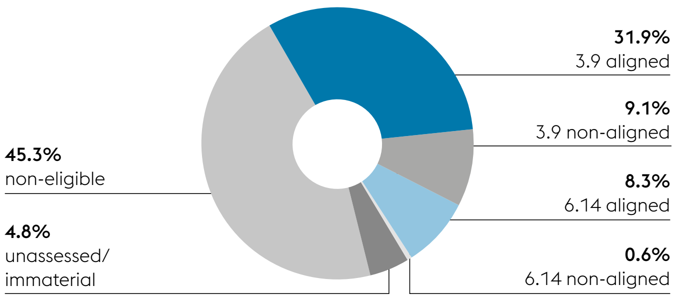
This leads to the following classification for the voestalpine Group:

2025/26					Taxonomy-aligned activities by environmental objective								
Economic activities	**Code**	**Taxonomy-eligible CapEx**	**Taxonomy-aligned CapEx**	**Taxonomy-aligned CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transition activity**	**Taxonomy-aligned share of taxonomy-eligible activities**
Manufacture of iron and steel	CCM 3.9/CCA 3.9	41.0%	303.3	31.9%	31.9%	0.0%	0.0%	0.0%	0.0%	0.0%		T	77.8%
Infrastructure for rail transport	CCM 6.14/CCA 6.14	8.9%	78.5	8.3%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	E		92.8%
Total alignment by objective					**40.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**			
Total CapEx		**49.9%**	**381.8**	**40.2%**	**40.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.3%**	**31.9%**	**80.6%**

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



Taxonomy-eligible/aligned operating expenditures (OpEx)

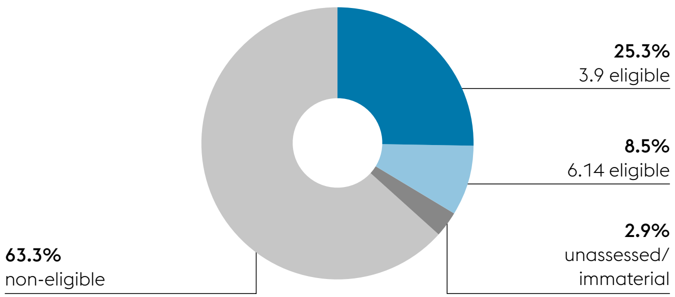
Unlike revenue and capital expenditure, the figure for operating expenditure cannot be taken directly from the annex notes of this Annual Report. This is because only a few expense categories are relevant to the determination of the denominator for the operating expenditure. These include building renovation measures, maintenance and repair of property, plant and equipment, research and development expenses, training expenses for employees, and current leasing expenses. This training expenditure also includes training necessary to operate installations and processes in a sustainable and compliant manner (including occupational safety or production process training in the context of taxonomy-eligible/aligned activities). The numerator includes OpEx that relates to assets or processes that are associated with taxonomy-eligible or taxonomy-aligned economic activities. OpEx from taxonomy-aligned economic activities amounted to EUR 102.1 million. This corresponds to 10.3% of OpEx according to the EU Taxonomy Regulation.

The taxonomy-aligned OpEx of EUR 102.1 million is made up of expenses for research and development of EUR 24.8 million, building renovation measures of EUR 11.2 million, current leasing of EUR 2.1 million, maintenance and repair of property, plant and equipment of EUR 59.5 million, and staff training of EUR 4.5 million. The total OpEx of EUR 993.0 million is made up of expenses for research and development of EUR 221.6 million, building renovation measures of EUR 35.0 million, current leasing of EUR 10.3 million, maintenance and repair of property, plant and equipment of EUR 693.2 million, and staff training of EUR 32.9 million. In addition to training for employees who maintain machinery, training for employees in production is also included in the training expenditure.

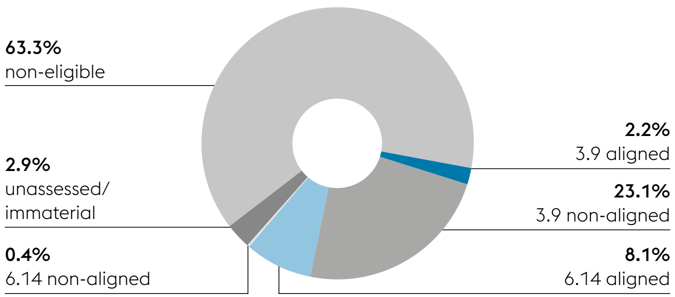
This leads to the following classification for the voestalpine Group:

2025/26					Taxonomy-aligned activities by environmental objective								
Economic activities	**Code**	**Taxonomy-eligible OpEx**	**Taxonomy-aligned OpEx**	**Taxonomy-compliant OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transition activity**	**Taxonomy-aligned share of taxonomy-eligible activities**
Manufacture of iron and steel	CCM 3.9/CCA 3.9	25.3%	21.5	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%		T	8.6%
Infrastructure for rail transport	CCM 6.14/CCA 6.14	8.5%	80.6	8.1%	8.1%	0.0%	0.0%	0.0%	0.0%	0.0%	E		95.7%
Total alignment by objective					**10.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**			
Total OpEx		**33.8%**	**102.1**	**10.3%**	**10.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.1%**	**2.2%**	**30.5%**

TAXONOMY ELIGIBILITY BY ECONOMIC ACTIVITY



TAXONOMY ALIGNMENT BY ECONOMIC ACTIVITY



ESRS E1 CLIMATE CHANGE

Climate change is one of the greatest challenges of our time and requires companies to take decisive action. voestalpine is one of Austria's largest emitters of greenhouse gas and consequently needs to drastically curb its emissions. In order to reduce its carbon footprint, voestalpine is focusing on transforming production processes by relying on technological innovations, strategic investments, and close cooperation with customers and suppliers.

With regard to Scope 1 and Scope 2 emissions, a key component of the Climate Transition Plan is the greentec steel climate protection program, which envisages the switch from coal-based blast furnaces to electric arc furnaces (EAF).

In addition to the technological transformation, supplier engagement is also playing an increasingly crucial role. Sustainable sourcing of raw materials and transparent supply chains are key drivers when it comes to bringing down total Scope 3 emissions. This presents both challenges and economic opportunities, particularly in light of the growing demand for low-emission steel products. At the same time, structural change continues to go hand in hand with high investment costs and market risks.

Climate change mitigation, climate change adaptation, and a sustainable energy supply are key challenges of our time. voestalpine takes an active approach toward these issues. Technological innovations, energy efficiency measures, and the gradual transition to renewable energy sources play a decisive role in this regard. Detailed information on the identified impacts, risks, and opportunities (IROs) in relation to climate change mitigation, climate change adaptation, and energy can be found in the following IRO table, which contains specific information on SBM-3.

Topic/sub-topic/ sub-sub-topic	Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Climate change mitigation	GHG emissions (Scope 1 to 3)	GHG emissions from process-related activities in voestalpine's own operations as well as from the upstream and downstream value chain, such as the procurement of raw materials including iron ore or coking coal, have negative impacts on the environment and society. The vast majority of Scope 1 emissions are generated through the manufacture of steel products at the Group's largest sites in Linz and Donawitz. Scope 2 emissions resulting from the purchase of external energy are significantly lower in comparison. Scope 3 emissions comprise indirect emissions from the upstream and downstream value chain, more than 80% of which are due to the procurement of raw materials.			Environment and society Local, national, and international authorities Suppliers
	Technological developments & job infrastructure	By expanding its investments in climate-friendly facilities, voestalpine is providing further impetus for decarbonization among other market participants. This creates strong incentives for the development of breakthrough technologies and production innovations that support a low-carbon economy. As a result, in addition to environmentally sustainable infrastructure, new, skilled jobs are being created within the industry's economic environment, positively impacting the environment and climate change mitigation in turn.			Environment and society Local, national, and international authorities Suppliers
	Transition risk: technical transition to low-emission technologies	The shift towards low-emission steel production within the scope of greentec steel requires voestalpine to make considerable investments in new technologies and facilities, which are being made under legal frameworks that remain uncertain to some extent, e.g., uncertainties regarding the design of protective measures such as the Carbon Border Adjustment Mechanism (CBAM) and the future allocation of free allowances. The lack of a uniform, generally accepted definition of green steel also increases the risk of further cost increases. At the same time, the introduction and ramp-up of new production processes are accompanied by operational risks, such as lower efficiencies in the initial phases, which can only be optimized by increasing operational experience, or temporary operational downtime.			Environmental Information Local, national, and international authorities
	Transition risk: costs arising from carbon pricing	Carbon pricing mechanisms such as the EU Emissions Trading Scheme (ETS) and the Carbon Border Adjustment Mechanism (CBAM) are creating increasing financial burdens, potentially resulting in competitive disadvantages compared to non-EU competitors, and triggering structural changes in industry, such as the relocation of downstream industries and higher price competition.			Environmental Information Legislators Competitors Customers Suppliers Investors
	Transition opportunity: increasing the sales volumes of low-emission steel products for voestalpine (especially in sectors relevant to the energy transition) leads to a sustainable stabilization of revenue and operating results (EBIT)	Growing demand and corresponding price premium for low-emission steel. This can also lead to a stronger market position in specialized segments such as rail infrastructure systems, special steels, and high-performance materials.			Competitors Customers Investors

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Climate change mitigation	!	Transition risk: supply bottlenecks and higher costs for important materials and raw materials	Due to the transformation, demand for critical raw materials such as steel scrap, special metals, and alloys is rising, resulting in a higher risk of supply bottlenecks. voestalpine is facing growing demand that could potentially lead to production delays or quality risks. At the same time, considerable price volatility makes planning more difficult and reduces investment security.	›››	○●●●	Suppliers
Climate change adaptation	!	Physical climate risks	Physical risks can impact voestalpine's business in a number of ways. Material acute physical risks include heavy rain, floods, and landslides. Chronic physical risks include substantial variations in river water levels due to climate change, which can disrupt shipping (e.g., on the Danube) and result in supply chain disruptions.	›››	○○●●	Customers Suppliers
Energy	!	Transition risk: bottlenecks in the energy supply and higher costs for energy procurement	This transition risk for voestalpine comprises 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. This risk is driven above all by volatile energy markets and potential shortages.	›››	●●●●	Suppliers

Key

● 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

STRATEGY

E1-1 – Transition plan for climate change mitigation

voestalpine aims to extensively reduce its greenhouse gas (GHG) emissions across its entire value chain and is committed to lowering its emissions in line with the scientifically validated 2 degree climate target as part of the Science Based Targets Initiative (SBTi). By calendar year 2029, Scope 1 and Scope 2 emissions are to be reduced by 30% and Scope 3 emissions by 25%. The targets set have been tested and validated by the SBTi and align with efforts to limit global warming set forth in the Paris Agreement.

As part of ESRS-compliant reporting, the basis for the calculation of the GHG footprint has been changed from the calendar year to the business year. Accordingly, the emission reduction targets stated in the Climate Transition Plan are presented on a business year basis. However, the targets up to 2029 validated by the Science Based Targets initiative (SBTi) continue to be calculated on the basis of the calendar year.

voestalpine's long-term climate transition plan is divided into three implementation phases: phase 1 (by business year 2029/30), phase 2 (by business year 2035/36), and phase 3 (by business year 2049/50).

It includes a long-term target of limiting global warming to 1.5°C by 2050, while the validated targets in phase 1 by business year 2029/30 follow a "well below 2°C" reduction pathway. voestalpine also pursues the medium-term target of reducing its Scope 1 and Scope 2 emissions by 50% by business year 2035/36 in phase 2, and achieving net-zero emissions in the long term by business year 2049/50 at the latest in phase 3.

In order to achieve the targets set forth in its strategy and the implementation of the Climate Transition Plan, voestalpine is relying on various decarbonization levers that cover the entire value chain and facilitate the transition to lower-emission steel production.

The decarbonization levers are already clearly defined in phase 1. These include industrial electrification, with coal-based blast furnaces replaced by electric arc furnaces (EAF) as the primary measure; the use of renewable energies to reduce CO_2 emissions; the use of raw materials in iron and steel production processes; and improving energy efficiency in production processes and infrastructure. The supply chain is also actively involved in the decarbonization process through measures such as increasingly relying on CO_2-reduced input materials and optimizing the use of raw materials. For more information please see E1-3.

Phase 2 and phase 3 will be specified in more detail over time, but their primary aims are to extensively transform processes and to fully decarbonize and offset remaining emissions.

The transformation of the production processes in phase 1 of the Climate Transition Plan will facilitate the production of up to 2.5 million tons of low-emission steel, which in turn will enable the sustainable development and adaptation of business models to regulatory requirements and growing market demand for climate-friendly products. Production capacities for low-emission steel will be gradually increased in phases 2 and 3.

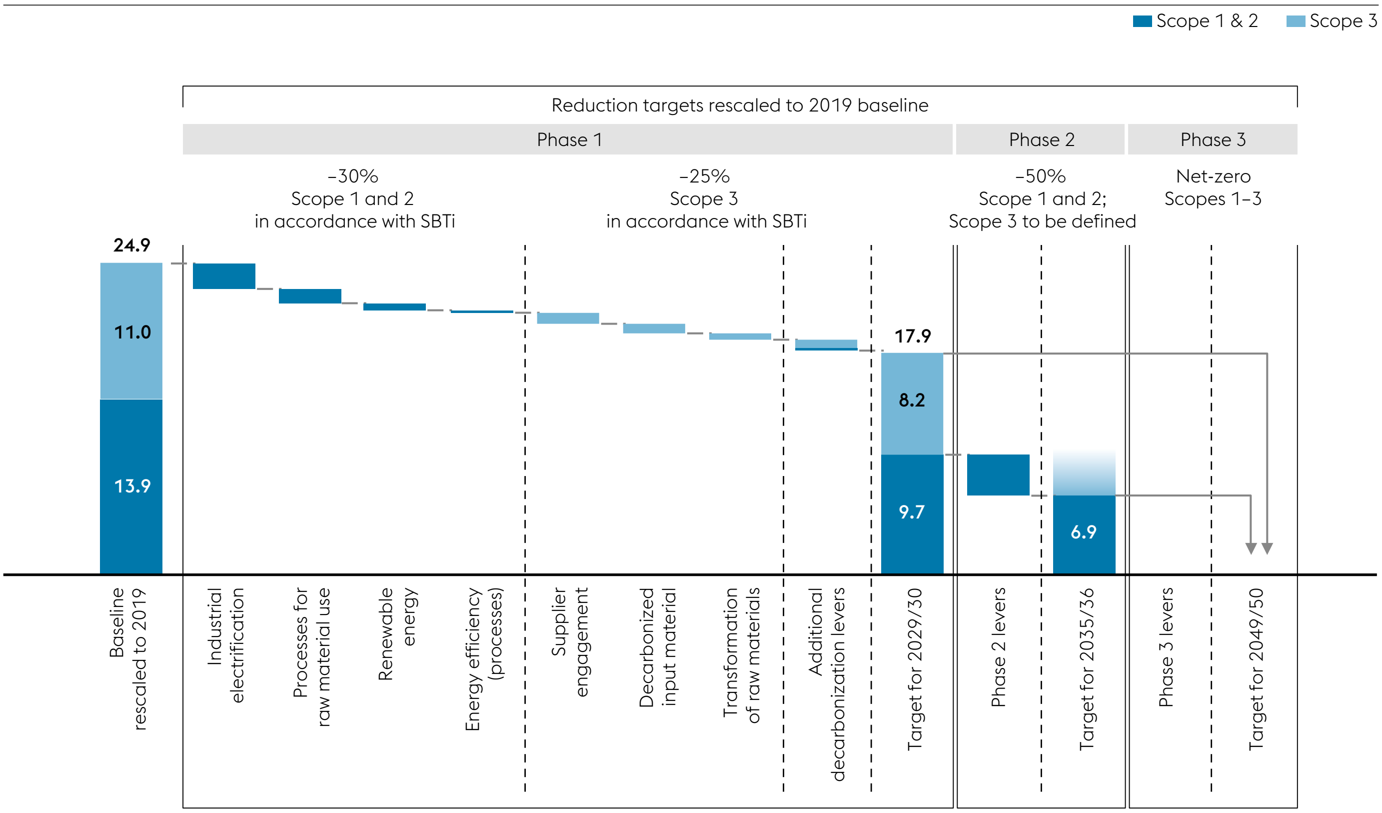
The first stage of the plan and the necessary financial resources, namely a EUR 1.5 billion investment budget, have been approved by the Management Board and Supervisory Board.

The financial resources required to implement phase 1 of the transformation have been taken into account in the medium-term business plan. Over the coming years, voestalpine plans to make targeted investments in low-emission technologies and energy-efficient installations. All required investments are quantified on a regular basis in order to ensure the transformation is economically sustainable. Detailed information on CapEx plans and KPIs can be found under E1-3 and in the chapter on Disclosures required by the EU Taxonomy Regulation.

Emissions data is collected annually, verified externally, and compared against the defined targets as part of this assessment. Technological advancements, legislative changes, and market conditions are accounted for in the assessment in order to adapt and further develop the transition plan if necessary.

The sustainability strategy constitutes an integral part of the Group's strategy, uniting economic, social, and environmental aspects and targets. In order to achieve the objectives set forth in its strategy, voestalpine is relying on central decarbonization levers that facilitate the transition to lower-emission steel production.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION



Investments and funding supporting climate change mitigation and climate change adaptation

In order to utilize the decarbonization levers as part of its decarbonization sustainability strategy and the EU Taxonomy, voestalpine launched a five-year CapEx plan in the business year 2023/24. Around EUR 1.5 billion has already been approved by the Supervisory Board for the electric arc furnaces in Linz and Donawitz as part of phase 1 of the greentec steel climate protection program, which forms a key component of the company's Climate Transition Plan. Of this, around EUR 0.9 billion had already been invested by the end of the 2025/26 business year (by 2024/25: around EUR 0.5 billion). In addition, further investments for the ongoing replacement of fossil pig iron capacity and CCUS technologies (phase 2) are taken into account in the financial plans for reviewing the recoverability of non-current assets in the affected production units of the Steel and Metal Engineering Division (for details see B.2. Significant judgments and estimates and B.3. Significant accounting policies in the notes to the Consolidated Financial Statements).

The plan focuses on decarbonization levers for all phases, which make a significant contribution to the transformation towards more climate-friendly production. The decarbonization levers required to achieve the Scope 1 to 3 targets in phase 1 are clearly defined and quantified at this stage. As things currently stand, all related steps are progressing as scheduled without any delays. The investments are closely linked to the requirements of disclosure requirement E1-3 and support both the achievement of the long-term climate targets and safeguarding voestalpine's competitive standing in the global market. The decarbonization levers for Scope 1 to 3 emissions in phases 2 and 3 are being specified and defined as part of a continuous development process.

The company has provided significant investments and funding to successfully realize its transition plan for decarbonization. voestalpine has also received funding commitments in the region of EUR 90 million to finance investments in electric arc furnace technology and further research activities. These funds come from the Transformation of Industry program funded by the Austrian Federal Government and support the implementation of central decarbonization levers.

CapEx from taxonomy-aligned activities is used as a key performance indicator to measure the progress of the actions as part of the decarbonization levers. In the current business year, a total of EUR 381.8 million of CapEx was reported as taxonomy-aligned (see also the chapter on Disclosures required by the EU Taxonomy Regulation), where EUR 303.3 million is attributed to the economic activity 3.9 Manufacture of iron and steel, of which, in turn, EUR 292.7 million represents greentec steel investments. No significant CapEx amounts were invested during the reporting period in relation to coal, oil, and gas-related economic activities.

Back in 2024, voestalpine laid the foundation for the issuance of green bonds and other green financing instruments with the launch of the Green Financing Framework. voestalpine was the first European steel company to publish its Green Financing Framework. On October 3, 2024, voestalpine AG issued a fixed interest green bond of EUR 500.0 million. 100% of the proceeds from the issue will be used to refinance or finance sustainable voestalpine projects such as greentec steel.

voestalpine's GHG emissions can primarily be attributed to the continued operation of existing installations, including blast furnace-based steel production. These installations are integrated into existing production processes and represent important assets. Moving away from this technology is therefore technically and economically challenging, but will nevertheless be taken into account in the long-term voestalpine Climate Transition Plan. As phase 1 of the greentec steel project, voestalpine plans to replace two blast furnaces with electric arc furnaces (EAFs) by 2029/30 to reduce GHG emissions. In phase 2, voestalpine plans to replace additional blast furnace-based production capacities at its crude steel production sites, and consequently the associated GHG emissions. The transformation of the production facilities in phase 2 represents a transitional step towards a 1.5°C reduction pathway. At the Donawitz site, the complete transformation of blast furnace-based production in this phase will reduce the amount of locked-in GHG emissions to a minimum. Net-zero emissions are to be achieved through the transformation of voestalpine's remaining production capacity in phase 3.

The associated transition risks were analyzed by voestalpine; please refer to ESRS 2 IRO-1 for more information. After the above actions have been taken, any remaining GHG emissions have been accounted for in the Climate Transition Plan and do not jeopardize the achievement of the set emission reduction targets.

In addition to the analysis of aspects pertaining to GHG emissions in relation to assets and products, compliance with regulatory criteria related to climate-related benchmarks must also be assessed, with voestalpine falling under the Paris-aligned European Union benchmarks. This disclosure requirement is consistent with the requirements of Commission Implementing Regulation (EU) 2022/2453 and Commission Delegated Regulation (EU) 2020/1818 on climate-related benchmarks.

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E1-2 – Policies related to climate change mitigation and adaptation

As part of its sustainability strategy, voestalpine is committed to reducing GHG emissions as one of its key focus areas. Specific impacts, risks, and opportunities form the primary focus in order to account for both climate change mitigation and efficient, sustainable energy use. Key concepts include:

» a Climate Transition Plan for decarbonization
» the Environmental Policy

The Climate Transition Plan and the Environmental Policy are closely linked to voestalpine's sustainability strategy and support the company's long-term competitive standing. The implementation of the greentec steel program, namely the phased transformation of crude steel production processes, within the framework of the Climate Transition Plan facilitates the sustainable development of the core business by gradually introducing low-emission technologies and optimizing existing processes. This ensures that steel production meets both the regulatory requirements and the increasing market requirements for climate-friendly products. For more information, see chapter E1-1.

The Climate Transition Plan covers the company's own operations (Group-wide production and sales sites worldwide) as well as selected areas of the upstream and downstream value chain, such as purchased energy and procured goods and services (raw materials). The Environmental Policy for the voestalpine Group is an overarching environmental framework that sets out principles and guidelines, including in relation to climate change mitigation and energy. It supports the companies in the implementation of measures to decarbonize their own processes and value chains.

The Climate Transition Plan also supports the increased integration of renewable energies and consequently the reduction of GHG emissions.

The data used for the Climate Transition Plan will be reviewed annually, updated where necessary, and progress towards target achievement evaluated. Environmental and energy management systems are audited and certified at regular intervals.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
GHG emissions (Scope 1 to 3) Technological developments & job infrastructure Transition risk: costs arising from carbon pricing Transition opportunity: Increasing the sales volumes of low-emission steel products for voestalpine (especially in sectors relevant to the energy transition) leads to a sustainable stabilization of revenue and operating results (EBIT) Transition risk: technical transition to low-emission technologies	Climate Transition Plan for decarbonization	Own operations and (to a partial extent) upstream and downstream value chain	Management Board and Supervisory Board of voestalpine AG	» Commitment according to SBTi » Communicated in the Annual Report
GHG emissions (Scope 1 to 3)	Environmental Policy	Own operations and upstream and downstream value chain	Management Board and Supervisory Board of voestalpine AG	

E1-3 – Actions and resources in relation to climate change policies

As part of the Climate Transition Plan, voestalpine has developed a comprehensive package of actions to reduce Scope 1, 2, and 3 GHG emissions and to lower energy requirements. The decarbonization levers are applied throughout the Group. These actions revolve around the ambitious transformation program greentec steel, which is considered the central and currently most important measure for the decarbonization of the company.

Measures relating to the decarbonization levers had already been implemented by the reporting period. Other key measures, such as the planning and construction of the electric arc furnaces in Linz and Donawitz, are on track and currently being implemented.

DECARBONIZATION LEVERS

SCOPE 1 & 2

Industrial electrification

Expected result:
GHG emissions reduced by 2.1 million tons

Up to the current reporting year: no GHG emissions reduction

- Use of electric arc furnaces (EAF) in Linz and Donawitz
- Transition from fossil energy (natural gas) to electricity in selected production and manufacturing processes

Use of renewable energy

Expected result:
GHG emissions reduced by 0.6 million tons

Up to the current reporting year: GHG emissions reduced by 0.3 million tons

- Increasing the share of renewable energy in the electricity mix by purchasing electricity from renewable sources
- Transition to renewable energy sources in production and manufacturing processes, e.g., use of biomethane
- Own power generation using PV installations

Increased energy efficiency

Expected result:
GHG emissions reduced by 0.2 million tons

Up to the current reporting year: GHG emissions reduced by 0.1 million tons

- Optimization of existing production and manufacturing processes to further reduce energy requirements
- Improving energy efficiency in buildings and manufacturing facilities
- Optimization of combustion systems
- Energy decoupling

Processes for raw material use

Expected result:
GHG emissions reduced by 1.1 million tons

Up to the current reporting year: GHG emissions reduced by 0.2 million tons

- Emissions reduction through changes and optimizations to the raw material structure within the integrated plant network through the transformation of technology and production processes

SCOPE 3

Supplier engagement

Expected result:
GHG emissions reduced by 0.9 million tons

Up to the current reporting year: no GHG emissions reduction

- Decarbonization of key existing raw materials
- Supplier development based on valid data (e.g., PCFs) and decarbonization measures across the value chain

Decarbonized input material

Expected result:
GHG emissions reduced by 0.7 million tons

Up to the current reporting year: no GHG emissions reduction

- Use of new and low-emission materials and raw materials, e.g., in further processing

Transformation of raw materials

Expected result:
GHG emissions reduced by 0.5 million tons

Up to the current reporting year: GHG emissions reduced by 0.3 million tons

- Reduction of indirect GHG emissions through changes to raw materials and their use, e.g., the use of secondary raw materials
- Transition of the raw material structure by integrating electric arc furnaces into the existing plant configuration

SCOPE 1 & 2 & 3

Further measures

Expected result:
GHG emissions reduced by 0.9 million tons

Up to the current reporting year: GHG emissions reduced by 0.8 million tons

- Measures to reduce direct and indirect GHG emissions across the value chain, e.g., transportation, waste management, and similar

PHASE 1: SCOPE 1 & 2 DECARBONIZATION LEVERS

One important lever for Scope 1 and 2 emissions is **industrial electrification**, on which significant progress is being made thanks to greentec steel. As part of the first stage of the phased plan, one green electricity-powered electric arc furnace (EAF) will be built at the Linz site and one green electricity-powered EAF system at the Donawitz site. This involves a shift away from carbon-based processes towards an electrified, low-emission production method, accompanied by a fundamental transition in the use of raw materials in crude steel production. Depending on the quality requirements, a mix of input materials consisting of scrap, liquid pig iron, and HBI (hot briquetted iron) will be used. A mix of materials is used, comprising scrap, liquid pig iron, and hot briquetted iron (HBI), with the mix adjusted according to the specific quality requirements. voestalpine sources the necessary HBI primarily from the direct reduction plant in Texas, USA: since 2022, a global steel manufacturer has held a majority stake in the plant; 20% is owned by voestalpine with corresponding supply agreements guaranteed over the long-term. A phased transition of certain production processes from fossil fuels to electric energy sources is also planned, in particular to further reduce dependence on natural gas.

These actions are currently under implementation and the EAFs are scheduled to come into operation from 2027. Phase 1 of the greentec steel program therefore represents a key building block in the CapEx plan with significant capital expenditure of around EUR 1.5 billion, of which EUR 292.7 million has been reported as taxonomy-aligned in the business year 2025/26 (see also disclosures under E1-1). The financial resources for the implementation of the measures under the greentec steel program from phase 1 were approved by the Supervisory Board back in March 2023.

Of the EUR 1.5 billion, EUR 0.9 million had already been invested by the end of the business year 2025/26 (of which EUR 0.4 million was invested during the business year 2025/26). The investment of EUR 0.4 million to implement the measures is included in the Consolidated Financial Statements in the additions to property, plant and equipment and intangible assets (for more information see D.9. Property, plant, and equipment, and D.10. Goodwill and other intangible assets, in the notes to the Consolidated Financial Statements).

Targeted measures to increase the use of low-emission energy sources have been identified under the **renewable energies** lever. These include, in particular, the purchase of green electricity and the use of biomethane. This lever for reducing GHG emissions supports the achievement of voestalpine's climate targets up to the business year 2029/30 initially.

Increasing **energy efficiency** includes targeted measures such as optimizing production processes and improving the energy performance of manufacturing facilities and buildings with state-of-the-art technology. Another key aspect is the optimization of combustion systems and the efficient use of excess energy by decoupling energy for use in other applications, such as supplying heat to adjacent operating units or supplying external grids. Corresponding action is being financed and implemented within the framework of the investment programs and continuous improvement processes.

The lever **processes for raw material use** in Scope 1 and 2 takes into account that the transformation of technology and production processes and the associated adaptation of process control in the integrated plant network result in changes and opportunities for optimization in the structure of raw materials used, which contribute to reducing the GHG emissions.

PHASE 1: SCOPE 3 DECARBONIZATION LEVERS

voestalpine is focusing on taking targeted action within its value chain to bring down indirect Scope 3 GHG emissions by the business year 2029/30. A key decarbonization lever in this regard is supplier engagement, which includes decarbonizing key existing raw materials. This is based on the use of valid data, e.g., Product Carbon Footprints (PCFs) for key raw materials and corresponding decarbonization projects and measures within the value chain, as well as close cooperation with suppliers to reduce emissions (supplier development). The sustainable transformation is also supported by the gradual substitution of primary and secondary raw materials (e.g., scrap and other secondary raw materials), especially with regard to the interdependencies of future production with electric arc furnaces (EAFs).

One key measure for reducing Scope 3 GHG emissions is the planned use of decarbonized input materials, new low-emission raw materials and materials, for example in voestalpine's further processing operations. This approach makes a significant contribution to the achievement of voestalpine's climate targets by the business year 2029/30, as increased reliance on low-emission precursors has the power to reduce the company's carbon footprint along the upstream and downstream value chain.

PHASE 2 & 3: SCOPE 1 & 2 DECARBONIZATION LEVERS

An important lever in phase 2 is the advancement of industrial electrification by continuing with progress on the transformation of steel production processes, for example by expanding production capacities through the electric steel route. Actions for this lever are being developed and put into practice. The use of carbon capture and storage technologies (CCUS) is designed to further reduce process-related emissions. The aim is to accelerate the decarbonization and gradual conversion of remaining energy to renewable energy sources by the business year 2035/36. voestalpine is working on further developing these technologies and applications on an industrial scale, building technical pilot plants, and implementing the latest findings from research and development.

Phase 3 marks the final step towards net-zero emissions by the business year 2049/50. As part of this long-term view, voestalpine is pursuing an approach that is open to different technology types and considers various solutions and technology options while simultaneously creating opportunities for the implementation of future advancements in technology and science to achieve net-zero emissions. Maximum flexibility and economic feasibility play a key role in this regard.

The focus is on replacing the remaining fossil pig iron capacity using fossil-free energy sources such as hydrogen, renewable energy, and the extensive application of CCUS technologies. In this context, future technology scenarios and the associated energy requirements for relevant energy sources were created in the 2025/26 business year.

ACTIONS TO COUNTER PHYSICAL CLIMATE RISKS

In addition to the actions set forth in the Climate Transition Plan, actions to counter physical climate risks are also currently being implemented. One example is the construction of flood protection at Unterer Tollinggraben, near the Donawitz site. Activities are also being undertaken to counteract the impacts of long-term fluctuations in river levels, such as diversifying supply routes and making adjustments to logistics in the case of low water levels.

FURTHER ACTIVITIES RELATING TO TRANSITION RISK: COSTS ARISING FROM CARBON PRICING

voestalpine counters this risk by means of targeted investment as part of a gradual transformation of production processes. In addition, the Group is focusing on increased differentiation in product quality, flexibility, and service. voestalpine's growing internationalization in high-yield processing fields based on the local for local principle likewise helps to safeguard the company's competitive standing.

OVERVIEW OF ACTIONS

IROs addressed	Action	Time horizon	Scope of the action	Significant expenditure (if relevant)/other comments
GHG emissions (Scope 1 to 3) Technological developments & job infrastructure Transition risk: costs arising from carbon pricing Transition opportunity: Increasing the sales volumes of low-emission steel products for voestalpine (especially in sectors relevant to the energy transition) leads to a sustainable stabilization of revenue and operating results (EBIT) Transition risk: technical transition to low-emission technologies	Phased implementation for the transformation (Planned) measures for the Climate Transition Plan (incl. greentec steel)	Implementation by the BY 2029/30, commissioning of EAFs in Linz and Donawitz in 2027 Differentiation between actions taken and planned actions	Own operations and (to a partial extent) upstream and downstream value chain	CapEx greentec steel phase 1: EUR 1.5 billion Progress according to schedule (ongoing implementation)
Transition risk: supply bottlenecks and higher costs for important materials and raw materials Transition risk: bottlenecks in the energy supply and higher costs for energy procurement	Actions to account for transition risks arising from resource bottlenecks in relation to decarbonization	Ongoing implementation	Own operations Upstream and downstream value chain to a partial extent	
Physical climate risks	Actions to counter physical risks	Project-dependent	Own operations	CapEx according to investment program Project-dependent progress

METRICS AND TARGETS

E1-4 – Targets related to climate change mitigation and adaptation

voestalpine has been committed to setting ambitious targets for reducing GHG emissions since 2022 as part of the Science Based Targets Initiative (SBTi). The set GHG emission reduction targets are gross targets and do not envisage GHG removals, carbon credits, or avoided emissions. More specifically, voestalpine pursues the near-term target of reducing its Scope 1, 2, and 3 emissions and achieving net-zero emissions in the long term, by the business year 2049/50 at the latest.

In order to achieve this target, voestalpine is initially committed to a science-based 2°C reduction pathway (well-below 2°C) in accordance with the SBTi in phase 1, which aligns with the Paris Agreement and supports global efforts to limit global warming. The current Climate Transition Plan includes a long-term target to limit global warming to 1.5°C up to business year 2049/50 (see E1-1). GHG reductions are to be progressively developed and implemented in phases 2 and 3, moving towards a 1.5°C reduction pathway.

The reduction targets were validated in 2023 on the basis of the general, non-sector-specific SBTi reduction path (absolute contraction approach). The targets up to 2029 validated by the Science Based Targets initiative (SBTi) continue to be calculated on the basis of the calendar year. As part of ESRS-compliant reporting, the basis for the calculation of the GHG footprint has been changed from the calendar year to the business year. Accordingly, the emission reduction targets are presented on a business year basis. A sector-specific decarbonization pathway has not been incorporated to date as there was no relevant pathway available for the steel industry at the time the targets were set. The SBTi is based on established climate and policy scenarios published by the IAMC, IPCC, and IEA in accordance with the Paris Agreement for the validation and development of emission reduction targets. Climate risks were accounted for when the targets were set.

More specifically, the company is committed to reducing its Scope 1 and Scope 2 emissions by 30% and its Scope 3 emissions by 25% by calendar year 2029 as part of the SBTi. The GHG emissions covered and the respective shares of Scopes 1 to 3 are explained in E1-6. voestalpine also pursues the medium-term target of reducing its Scope 1 and Scope 2 emissions by 50% by business year 2035/36 and achieving net-zero emissions in the long term by the business year 2049/50 at the latest. The system boundaries for the targets are the same as those used for GHG accounting under E1-6.

The Scope 2 GHG emissions used to calculate this target were calculated using the market-based methodology.

SBTi's validation of the 2029 reduction target ensured that the targets were consistent with the company's greenhouse gas inventory limits. The targets were subsequently published, including as part of the Carbon Disclosure Project (CDP).

The base year for tracking progress on target attainment was defined as calendar year 2019. Based on the requirements of the GHG Protocol and the SBTi, a standardized procedure for reviewing and, if necessary, adjusting the GHG footprint for the reference year was developed in the reporting period.

An assessment took place on the basis of five defined categories and thresholds to determine whether a rescaling of the initial calculations is necessary, for example due to structural changes in the Group, methodological developments, or new scientific findings. In the business year 2024/25, a rescaling was carried out and the GHG footprint for 2019 was recalculated. voestalpine has verified the validation of existing targets through calendar year 2029 with the SBTi. In business year 2025/26, no rescaling of the GHG footprint for the reference year is necessary.

The set GHG emission reduction targets pertain to the material impacts, opportunities, and risks related to climate change mitigation, climate change adaptation, and reducing the physical climate risks and transition risks to which voestalpine is exposed. Progress has been made on the targets with the divisions and the Head of Sustainability Management at voestalpine.

The GHG emission reduction targets are integrated into the voestalpine Decarbonization Climate Transition Plan, which is explained in detail in E1-1. To achieve the targets, voestalpine has defined various decarbonization levers that cover both Scope 1 and Scope 2 emissions as well as Scope 3 emissions. These levers are also described as part of the Climate Transition Plan under E1-1. Their overall quantitative contribution to achieving the GHG emission reduction targets is described in a detailed list of individual actions under E1-3.

The targets are developed through an ongoing and extensive dialogue with voestalpine's various internal and external stakeholders and reflect their current requirements.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (ABSOLUTE VALUES)

Near-term targets In million t CO_2e	Rescaled in 2019	Business year 2029/30
Scope 1 & 2	13.9	9.7
Scope 3	11.0	8.2

TARGET: 2°C REDUCTION PATHWAY TARGET (NEAR-TERM SCIENCE BASED TARGETS)

KPI	Reduction of Scope 1 & 2/Scope 3 GHG emissions	
UNIT	in percent	
BASE VALUE	**STATUS**	**TARGET VALUE**
13.9 million t Scope 1 & 2 CO_2e **11.0 million t Scope 3 CO_2e** 2019	**13.2 million t Scope 1 & 2 CO_2e** **9.8 million t Scope 3 CO_2e** Business year 2025/26	**–30% Scope 1 & 2** **–25% Scope 3** Business year 2029/30

Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2); value chain (Scope 3)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-1 Climate Transition Plan
Reference to policy	Climate Transition Plan (phased decarbonization plan)

TARGET: GHG REDUCTION (MID-TERM TARGET)

KPI	Reduction of Scope 1 & 2 GHG emissions	
UNIT	in percent	
BASE VALUE	**STATUS**	**TARGET VALUE**
13.9 million t Scope 1 & 2 CO_2e 2019	**13.2 million t Scope 1 & 2 CO_2e** Business year 2025/26	**–50% Scope 1 & 2** Business year 2035/36

Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-1 Climate Transition Plan
Reference to policy	Climate Transition Plan (phased decarbonization plan)

TARGET: NET-ZERO

KPI	Net-zero (Scope 1, 2, 3)	
UNIT	in million t CO_2e	
BASE VALUE	**STATUS**	**TARGET VALUE**
24.9 million t CO_2e 2019	**23.0 million t CO_2e** Business year 2025/26	**Net-zero CO_2e** Business year 2049/50

Responsibility and monitoring	Management Board and Supervisory Board of voestalpine AG
Scope	Own operations (Scope 1 & 2); global value chain (Scope 3)
Stakeholders	Environment, society, authorities, suppliers, customers, investors
IROs addressed	See E1-1 Climate Transition Plan
Reference to policy	Climate Transition Plan (phased decarbonization plan)

E1-5 – Energy consumption and mix

As an energy-intensive company, voestalpine views sustainable energy management as an indispensable part of its corporate strategy. Continuous process optimization has resulted in efficiency gains.

Moving forward, technological transformations, in particular the use of electric arc furnaces (EAF), will help the company make further progress in this regard. A further reduction in fossil fuels is to be achieved on the one hand by increasing the proportion of renewable energies, and on the other hand by further efficiency increases in all production processes. These initiatives contribute both to global climate protection and to securing the company's long-term competitiveness.

The Group's total energy consumption from processes in high climate impact sectors owned and controlled by the company is presented in the table below. The system limits are applied as described in E1-6.

ENERGY CONSUMPTION AND MIX

	2024/25	2025/26
Fossil feedstocks for metallurgical processes		
0) Use of coal and coal products for metallurgical processes (MWh)	26,672,394	28,181,886
Fossil energy		
1) Fuel consumption from coal and coal products (MWh)	170	199
2) Fuel consumption from crude oil and petroleum products (MWh)	190,994	202,272
3) Fuel consumption from natural gas (MWh)	6,127,776	6,007,526
4) Fuel consumption from other fossil sources (MWh)	7,556	334
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	942,276	799,250
6) Total fossil energy consumption (MWh)	7,268,772	7,009,581
Share of fossil sources in total energy consumption (%)	82	82
Nuclear energy		
7) Consumption from nuclear sources (MWh)	223,822	171,728
Share of consumption from nuclear sources in total energy consumption (%)	3	2
Renewable energy sources		
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	67,306	77,839
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,149,954	1,118,933
10) The consumption of self-generated non-fuel renewable energy (MWh)	143,069	167,841
11) Total renewable energy consumption (MWh)	1,360,329	1,364,613
Share of renewable sources in total energy consumption (%))	15	16
Total energy consumption (MWh)	**8,852,923**	**8,545,922**
including fossil energy for metallurgical processes (MWh)	35,525,317	36,727,808

The total energy consumption shown includes fossil energy for metallurgical processes, such as reducing agents for the blast furnace process, and energy from fuels.

voestalpine generates electricity in its captive power plants from process gases and uses it to drive 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. voestalpine currently also uses renewable energy such as hydropower and photovoltaics. Generation from renewable sources amounts to 167,841 MWh (2024/25: 143,069 MWh), while generation from non-renewable sources comes to 1,392,586 MWh (2024/25: 1,469,741 MWh).

Energy intensity based on net revenue
voestalpine operates in several high climate impact sectors which incur significant energy consumption and GHG emissions. According to regulation (EC) No 1893/2006 (NACE regulation), these include:

» C—Manufacturing
» G—Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
» H—Transport and Storage; and
» L—Real Estate Activities

The revenues of the entire Group were analyzed and compared with revenues in high climate impact sectors in order to assess the energy intensity of the climate-intensive activities.

ENERGY INTENSITY BASED ON NET REVENUE

	2024/25	2025/26
Energy intensity per net revenue		
Total energy consumption from activities in high climate impact sectors (MWh)	8,852,923	8,545,922
Net revenue from activities in high climate impact sectors (EUR million)	15,705.0	15,020.9
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR million)	564	569

CONNECTIVITY OF ENERGY INTENSITY BASED ON NET REVENUE WITH FINANCIAL REPORTING INFORMATION

In millions of euros	2024/25	2025/26
Energy intensity connectivity		
Net revenue from activities in high climate impact sectors used to calculate energy intensity	15,705.0	15,020.9
Net revenue (other)	38.7	42.2
Total net revenue (Consolidated Financial Statements)	**15,743.7**	**15,063.1**

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Information on sources of a high level of measurement uncertainty and information on measurement
E1-5 – Energy consumption and mix	37–38	Total energy consumption	Aggregation of energy consumption from the Group companies collected as part of the Group-wide data collection	Sources of measurement uncertainty relate to the energy collection systems in place at the Group companies and the extrapolation of quarterly figures
E1-5 – Energy consumption and mix	40	Energy intensity	Calculation of energy intensity based on reported total energy consumption and reported net revenue	No further uncertainty

E1-6 – Gross Scope 1, 2 and 3 and Total GHG emissions

voestalpine calculates its company-specific GHG footprint in accordance with the provisions of the Greenhouse Gas Protocol using primary data, databases (Sphera LCAFE Content Version 2026.1), and value chain information. Modeling is based on recognized methods and is applied Group-wide for production and sales locations worldwide. The evaluation methodology “EF 3.1 Climate change total” was applied for this reporting year.

Data collection, GHG modeling, and the presentation of findings are subject to external verification in accordance with ISO 14064-3. The GHG reporting system limits correspond to the voestalpine consolidation limits (see Consolidated Financial Statements) and include domestic and foreign fully consolidated companies over which voestalpine exercises operational control, taking into account materiality limits for Scope 1 and Scope 2 emissions in GHG accounting. The materiality assessment identified the most significant Scope 3 categories. In the 2024/25 business year, the base year for the GHG reduction targets was rescaled and the GHG footprint for 2019 was recalculated. In business year 2025/26, no rescaling of the GHG footprint for the reference year is necessary.

voestalpine’s GHG emissions have been compiled in consideration of reporting periods that may differ from those of some companies in the value chain. In the case of relevant events and changes affecting emissions between different reporting periods, the corresponding events and changes are taken into account. No significant deviations or changes are known at present.

The GHG footprint of voestalpine AG is divided into three areas referred to as scopes:

» **Scope 1:** direct emissions from internal or controlled sources
» **Scope 2:** indirect emissions from the generation of purchased energy, both market and location-based, consumed by the company
» **Scope 3:** indirect emissions along the upstream and downstream value chain

Scope 3 GHG emissions are largely based on secondary data, as primary data from suppliers or other partners in the value chain is not yet available in the comprehensive quality required. The scopes shown cover carbon emissions and other climate-relevant GHG emissions in accordance with the Kyoto Protocol and the GHG Protocol standard. Accordingly, Scope 3 emissions of consolidated entities are taken into account, whereas Scope 3 emissions of non-consolidated entities are not taken into account. For other entities in the value chain, indirect emissions are taken into account in category 1 “purchased goods.” All emission levels are reported in CO_2 equivalents (CO_2e).

When compiling voestalpine's GHG footprint, double counting of emissions in Scopes 1 and 3 is avoided.

GHG EMISSIONS

	Retrospective				Milestones and target years		
	Base year 2019	Comparative year 2024/25	Current BY 2025/26	% N/N-1	Near-term target 2029/30	Long-term target 2049/50	Annual % of target/ Base year
Scope-1-GHG emissions							
Gross Scope 1 GHG emissions (million t CO_2e)	12.8	12.1	12.6	104			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	98	98	98	100	9.7		3.0
Scope-2-GHG emissions							
Gross location-based Scope 2 GHG emissions (million t CO_2e)	0.5	0.61[1]	0.51	84			
Gross market-based Scope 2 GHG emissions (million t CO_2e)	1.1	0.78[1]	0.55	71			
Significant Scope-3-GHG emissions							
Total gross indirect (Scope 3) GHG emissions (million t CO_2e)	11.0	9.9[1]	9.8	99			
3.1 Purchased goods and services	9.3	8.3	8.2	99			
3.2 Capital goods	–	0.11[1]	0.06	55			
3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	0.7	0.5	0.5	100		Net-zero emissions	
3.4 Upstream transportation and distribution	0.6	0.6	0.6	100			
3.5 Waste generated in operations	0.03	0.03	0.03	100	8.2		2.5
3.6 Business travel	not relevant						
3.7 Employee commuting	not relevant						
3.8 Upstream leased assets	not relevant						
3.9 Downstream transportation	0.4	0.4	0.4	100			
3.10 Processing of sold products	not relevant						
3.11 Use of sold products	not relevant						
3.12 End-of-life treatment of sold products	not relevant						
3.13 Downstream leased assets	not relevant						
3.14 Franchises	not relevant						
3.15 Investments	not relevant						
Total GHG emissions							
Total GHG emissions (location-based) (million t CO_2e)	24.3	22.6[1]	22.9	101			
Total GHG emissions (market-based) (million t CO_2e)	24.9	22.8[1]	23.0	101	17.9	Net-zero	

[1] Figure adjusted retroactively (see BP-2 for details).

SCOPE 1 EMISSIONS

voestalpine's Scope 1 direct greenhouse gas emissions come from its own companies and sites, the majority of which are emitted in Austria at its Linz and Donawitz sites. 98% (2024/25: 98%) of these total Scope 1 emissions come from plants covered by the EU Emissions Trading System (ETS).

During this reporting period, biogenic CO_2 emissions from the combustion of biomethane and biochar, amounting to 0.017 million t CO_2e, are reported for the first time. Since this information was not available in the previous reporting period, it is not possible to present a comparative figure or year-on-year change for this metric.

Scope 1 emissions at voestalpine are not calculated to include carbon credits or GHG allowances.

SCOPE 2 EMISSIONS

voestalpine uses two methods to calculate Scope 2 GHG emissions:

» **Location-based method:**
based on average emission factors for energy generation in specific geographic regions according to the GHG Protocol Scope 2 Guidance (Glossary, 2015).

» **Market-based method:**
uses specific emission factors for the producers from which the company purchases electricity. Evidence is obtained through guarantees of origin or certificates for renewable energies.

The share of market-based Scope 2 GHG emissions covered by contractual instruments is 61% (2024/25: 32%). This change is due to the adjustment of the baseline relative to the previous year because of the change in the Group's structure. Contractual instruments from energy suppliers that meet the requirements of the GHG Protocol were taken into account, including guarantees of origin and declared electricity mix information.

Databases based on average energy generation data at national and partly sub-national level were used to calculate Scope 2 location-based GHG emissions.

Direct biogenic GHG emissions resulting from biomass combustion but not included in Scope 2 are reported separately in Scope 1. A breakdown of the biogenic CO_2 content is not possible for the emission factors used to calculate Scope 2 GHG emissions and is therefore not included in the report.

Scope 2 emissions in voestalpine are not calculated to include carbon credits or GHG allowances.

SCOPE 3 EMISSIONS

voestalpine conducts an evaluation of all Scope 3 categories to identify the relevant indirect GHG emissions in its value chain on a regular basis. This evaluation was once again performed in the business year 2025/26. Categories that are not relevant under the Greenhouse Gas Protocol are therefore not included in the GHG footprint. In the business year 2025/26, this concerned the following categories:

» 3.6 Business travel
» 3.7 Employee commuting
» 3.8 Upstream leased assets
» 3.10 Processing of sold products
» 3.11 Use of sold products
» 3.12 End-of-life treatment of sold products
» 3.13 Downstream leased assets
» 3.14 Franchises
» 3.15 Investments

Supplier engagement improves Scope 3 data quality

As part of supplier engagement, key existing raw materials are to be decarbonized. This takes place on the basis of validated data and decarbonization projects and measures. To achieve this, verified product carbon footprints (PCFs) are collected from suppliers and accounted for in the GHG footprint. Currently, GHG accounting is primarily based on secondary data from databases that do not record a reporting period. The proportion of primary data is still low (less than 1% in the business year 2025/26) and is preferably obtained from carbon footprints, for example from verified environmental product declarations (EPDs). The data published in Life Cycle Assessments (LCA) and verified externally are valid for up to five years.

During the reporting period, no releases of biogenic CO_2 emissions from the biomass combustion or bioremoval were reported or brought to the attention of voestalpine for the calculation of GHG emissions along the value chain.

When calculating Scope 3 emissions, voestalpine was not notified or made aware of any carbon credits or GHG allowances. These were therefore not included.

The following table shows the GHG intensity per net revenue and the connectivity of GHG intensity. The total net revenue corresponds to the revenue in D.1. Revenue in the notes to the Consolidated Financial Statements.

GHG INTENSITY PER NET REVENUE

	2024/25	2025/26
Total GHG emissions (location-based) per net revenue ($t\ CO_2e$/EUR million)	1,435.5[1]	1,520.3
Total GHG emissions (market-based) per net revenue ($t\ CO_2e$/EUR million)	1,448.2[1]	1,526.9
Net revenue used to calculate GHG intensity: Total net revenue (Consolidated Financial Statements) (EUR million)	15,743.7	15,063.1

[1] Figure adjusted retroactively (see BP-2 for details).

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Resulting degree of accuracy	Where applicable: planned actions to improve accuracy
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	44, 46–52	GHG footprint	The GHG footprint is calculated on the basis of the consumed volumes of energy, materials, and raw materials recorded as part of the Group data collection, as well as secondary data (emission factors of databases and energy suppliers) according to the GHG Protocol	High (+/–3%)	Ongoing development and expansion of data collection and evaluation
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	48a	Scope 1 emissions	This parameter is calculated by aggregating the Scope 1 emissions of the individual companies, data which is requested as part of a Group-wide data collection. If carbon monitoring takes place according to ETS, the results are compared using monitoring evidence or using the calculation based on fossil fuel use with the inclusion of relevant emission factors	High (+/–3%)	Ongoing development and expansion of data collection and evaluation
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	AR 43c	Biogenic CO_2 emissions from biomass combustion or bioremoval	The use of biomass as a source of energy is recorded as part of Group-wide data collection, and carbon emission factors are calculated on the basis of CO_2 emissions	High (+/–3%)	Ongoing development and expansion of data collection and evaluation
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	48b	Percentage of Scope 1 GHG emissions covered by EU ETS	Aggregation of Scope 1 emissions of all Group companies covered by the EU ETS	High (+/–3%)	–
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	49	Scope 2 emissions (location- and market-based)	Scope 2 emission factors (location- and market-based) are calculated on the basis of the energy purchases reported as part of Group-wide data collection, as well as the reported emission factors of energy suppliers or regional emission factors from data bases	High (+/–3%)	Ongoing development and expansion of data collection and evaluation
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	51	Total Scope 3 emissions	Scope 3 emissions are determined on the basis of the input volumes of material flows, raw materials, and energy carriers reported as part of Group-wide data collection and using secondary background data sets (emission factors)	High (+/–3%)	Ongoing development and expansion of data collection and evaluation
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	53–55	Greenhouse gas intensity	Calculation of greenhouse gas intensity is based on reported total greenhouse gas emissions for the reported net revenue	High (+/–3%)	–
		Net revenue to calculate GHG intensity	Net revenue according to the Consolidated Financial Statements	High (+/–3%)	–

ESRS E2 POLLUTION

As part of its double materiality assessment, voestalpine has identified its material impacts, risks, and opportunities related to air, water, and soil pollution. A detailed description of the testing procedures applied for sites and business activities along the value chain and the engagement of affected communities can be found in ESRS 2 IRO-1 E2.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Air pollution	●	NO_x, SO_x, and dust emissions	Due to the production processes and raw materials used, air pollutants such as SO_x, NO_x and dust are emitted despite mitigation measures. These emissions contribute to air pollution and lead to the pollution of ecosystems	>>>	●●●●	Environment and society Local, national, and international authorities

Key

● 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

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

Disclosure Requirement E2-1 – Policies related to pollution

Active environmental protection, which encompasses, in particular, the prevention and reduction of environmental pollution, has been firmly embedded in voestalpine's corporate principles and the Group's Environmental Policy for decades.

The Environmental Policy is an overarching framework that defines principles and guidelines. The environmental management systems are incorporated in the policy and translate the requirements set forth therein into concrete measures at the operational level.

In order to effectively manage the negative impacts related to pollution, voestalpine relies on locally implemented environmental strategies. To facilitate this, environmental management systems (EMS) have been implemented at the production sites in accordance with the recognized EMAS, ISO 14001, or equivalent regulations. Environmental management systems make it possible to effectively roll out site-specific actions and targets at short notice.

A corresponding environmental management system is already in place at the majority of companies that have a significant impact on the environment from a Group perspective. At present, this covers 90% (2024/25: 86%) of the manufacturing companies responsible for 99% (2024/25: 98%) of voestalpine's production volume.

The environmental management systems define how the individual companies can continuously improve their environmental performance, comply with legal and other requirements, and achieve their site-specific environmental targets in accordance with the Plan-Do-Check-Act (PDCA) approach.

Preventing and reducing negative impacts on air, water, and soil quality (e.g., NO_x, SO_x, and dust emissions) is one of the core tasks handled by the environmental management systems in place at voestalpine production companies. One of the main tools employed in this regard is comprehensive pollutant monitoring, which is conducted both in line with and beyond the thresholds of regulatory requirements, in order to enable process manager to take action at an early stage in the process management system when necessary.

The installations for preventing and reducing adverse environmental impacts meet the national requirements for the current state of the art (such as in the European Union for large plants according to the BAT documents under the Industrial Emissions Directive) and can also meet additional requirements. Like all process plants, they are inspected and maintained on a regular basis. Periodic inspections are also carried out by the authorities, resulting in adjustments and the development of new plans for minimizing pollutants, if necessary with the involvement of external experts.

The Group relies on trained personnel and internal experts to identify problematic situations at an early stage and take appropriate action in response. In the case of extraordinary events, local emergency plans and protocols are in place to facilitate a rapid response and appropriate action. On-call services are available 24 hours a day to coordinate the necessary procedures in the event of an incident and to facilitate the involvement of external support and authorities if necessary.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
NO_x, SO_x, and dust emissions	Environmental Policy	Own operations	Management boards of the companies	» For implemented environmental management systems: regular compliance check as part of the PDCA cycle and engagement of authorities, experts, and direct representatives of neighboring communities as necessary

E2-2 – Actions and resources related to pollution

For years, voestalpine has been committed to comprehensive and active climate change mitigation and has continuously undertaken activities to prevent and reduce emissions. As one of these activities, comprehensive environmental impact assessments are carried out at voestalpine sites on an ongoing basis. Based on the findings from the assessments, investments and expansion projects are pursued to improve existing environmental protection facilities. These activities have led to continuous reductions in emissions in recent years. Further information on this topic can be found in the published environmental reports for the individual companies.

A large number of activities aimed at protecting the environment are carried out every year. These range from modifying the process control system to overhauling and expanding existing installations, and completely rebuilding environmental protection systems such as pollutant separation systems.

At voestalpine, measures to reduce pollution are particularly relevant at the local level, as the main sources of environmental pollution are site-specific and largely depend on different production processes and plant configurations.

The process defined by the environmental management systems envisages a continuous assessment of the current environmental situation and the derivation of necessary measures for environmental protection. Regular reviews and evaluations at site level help to ensure that measures are implemented quickly and maximize their impact in line with local requirements.

Alongside ongoing progress monitoring by the management systems, additional potential improvements are discussed with the external experts during official inspections.

When evaluating possible measures, the specialist departments also involve external experts from public authorities, plant designer, and technology suppliers, as well as the company's own research departments. Measures under consideration are often reviewed in comparison with the specifications of the European Commission on the state of the art.

Activities related to environmental protection are primarily pursued through two approaches:

» **Process-integrated activities:**
  Adjusting process sequences or making adaptations (e.g., burner replacement) to prevent or reduce emissions.

» **End-of-pipe technologies:**
  Preventing the emission of already generated pollutants into the environment, or treating the pollutants prior to emission.

The following table explores examples of activities related to implementation of the state-of-the-art and outlines the negative impacts and mitigation measures along with example projects.

State-of-the-art activity	Emissions/ substances	Mitigation activity
Iron and steel manufacturing		
	Air emissions: Dust	» Extraction systems for preventing and reducing diffuse dust emissions » voestalpine Stahl GmbH example: installation of an additional extraction and filtration system in the blast furnace area to reduce diffuse dust emissions. » Complete encapsulation and containment of plant processes to prevent dust emissions
	Air emissions: NO_x	» Exhaust gas recirculation in the sinter plant » Selective catalytic reduction (SCR) to reduce nitrogen oxide emissions
	Air emissions: SO_x (SO_2)	» Desulphurization of coke oven gas » SO_2 reduction by injecting adsorbent in the sinter plant exhaust gas
	Water emissions: Heavy metals and total suspended solids	» Separate collection of different wastewaters » On-site waste water treatment with neutralization and heavy metal precipitation, as well as sand filter systems » Uddeholms AB example: Expansion of water management in the steelworks area to further reduce zinc emissions
Metal processing		
	Air emissions: Dust	» Extraction systems to catch dust emissions » Dust separation in an electrostatic precipitator or fabric filter
	Air emissions: NO_x	» Optimized process control of heating furnaces » Avoidance of false air intake through optimized design of the furnace chambers
	Water emissions: Heavy metals and total suspended solids	» Separate collection of different wastewaters » On-site waste water treatment with neutralization and heavy metal precipitation, as well as sand filter systems » voestalpine Grobblech GmbH example: ongoing expansion of the water management system with a new cleaning facility to further reduce the total suspended solids
Power plant engineering		
	Air emissions: NO_x	» Low-NO_x burner technology » Air staging » Selective catalytic reduction of nitrogen oxides (SCR) » voestalpine Stahl GmbH example: installation of a $DeNO_x$ system in the power plant area to reduce NO_x emissions
	Air emissions: CO	» Optimized process control » LAMBDA air control for complete combustion » Combustion air preheating
	Air emissions: SO_x (SO_2)	» Pre-desulphurization of process gases (coke oven gas)
	Water emissions: Input of pollutants	» Separate collection of water and wastewater streams » Dry, water-free waste gas treatment systems

The set activities are implemented as part of an overarching package of measures and cover the scope of the company's own operations. The upstream and downstream value chain is not taken into consideration in this context.

OVERVIEW OF ACTIONS

IROs addressed	Action	Time horizon	Scope of the action	Significant expenditure (if relevant)/other comments
NO_x, SO_x, and dust emissions	Package of measures to reduce the release of emissions into the air, water, and soil	Project-dependent	Own operations (sites subject to IED or comparable legislation outside the EU)	CapEx of EUR 35.4 million and planned CapEx through the business year 2030/31 of EUR 65.5 million (planned CapEx only includes actions exceeding EUR 5 million) Indirect consideration of interests through implementation of regulatory requirements (environment, society)

METRICS AND TARGETS

E2-3 – Targets related to pollution

voestalpine employs individual targets at each site to manage site-specific environmental impacts. Due to the high number of operational sites with different process and production processes, as well as complex plant networks, the environmental impacts and, accordingly, the local targets differ considerably from site to site. Group-wide standardization or central control of environmental targets is therefore not feasible at present. Accordingly, no quantifiable and results-driven Group environmental targets are currently defined or planned. Nevertheless, the pertinent legal requirements are observed and effectiveness is continuously ensured through the environmental management system and reviewed through regular external audits.

E2-4 – Pollution of air, water, and soil

In order to ensure compliance with the legal requirements and to make the processes as efficient as possible, comprehensive monitoring systems have been implemented to track pollutant emissions at the Group's production sites. These include continuous and periodic measuring systems that detect emissions in the air, water, and waste water. Pollutant analyses are then carried out by accredited, in-house, or external laboratories in line with established standards and methods. In certain cases, for instance when process gases are burned, emission levels are recorded using the stoichiometric combustion calculation based on the composition of the measured process gas. This approach is recognized in the field and comparable to direct emission measurement. Due to the small volume of corresponding calculated emission data, the resulting level of uncertainty is very low.

The emission levels reported by the Group companies refer to the calendar year and are projected over the course of the business year using a reference factor, namely the production forecast for the business year. Due to the fact that plant operating methods remain consistent throughout the year, it can be assumed that the extrapolated figures are highly accurate. A back test using actual data has confirmed their accuracy.

At Group level, a survey of all metrics relevant to the environment takes place on an annual basis via an online reporting system. Topic-specific data are collected by local experts. A high number of production sites are already subject to comprehensive legal reporting requirements, such as the European Pollutant Release and Transfer Register Regulation (E-PRTR). Group-wide data collection takes place on the basis of these requirements, thereby ensuring high data quality of this raw data along with verification by external control bodies.

The following table provides an overview of the volumes of pollutants released into the air and water by voestalpine in the business year 2025/26 and a corresponding year-on-year comparison. Year-on-year differences in total emissions are caused by fluctuations at the individual production sites. In particular, production increases (e.g., zinc and compounds) or production decreases, changes in the pollutant measurement surveys (e.g., measurements of partially fluorinated HFCs during the reporting period indicated small leaks), and the attainment of the specified reporting thresholds (e.g., for lead and lead compounds (Pb)) have an impact on emissions.

OVERVIEW OF EMISSIONS

In tons	Air		Water		Soil	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Carbon monoxide (CO)	159,089	172,481	–	–	–	–
Sulfur oxides (SO_x/SO_2)	5,011	5,264	–	–	–	–
Nitrogen oxides (NO_x/NO_2)	4,340	3,581	–	–	–	–
Particulate matter (PM10)	342	367	–	–	–	–
Methane (CH_4)	182	287	–	–	–	–
Chlorine and inorganic compounds (as HCl)	20	35	–	–	–	–
Lead and lead compounds (Pb)	0.30	0.87	0.65[1]	0.36	–	–
Mercury and mercury compounds (Hg)	0.28	0.29	0.004	0.004	–	–
Cadmium and cadmium compounds (Cd)	0.026	0.042	–	–	–	–
Hydrofluorocarbons (HFCs)	35	0.81	–	–	–	–
Partly halogenated hydrochlorofluorocarbons (HCFCs)	–	1.4	–	–	–	–
Chromium and chromium compounds	0.10	–	1.1[1]	0.77	–	–
Zinc and zinc compounds	5.5	8.0	8.9[1]	6.8	–	–
Benzene	5.3	4.9	–	–	–	–
Polycyclic aromatic hydrocarbons (PAHs)	0.14	0.14	0.030[1]	0.022	–	–
Fluorine and inorganic compounds (as HF)	6.7	–	–	–	–	–
Total nitrogen	–	–	304	323	–	–
Total phosphorus	–	–	–[1]	–	–	–
Nickel and nickel compounds	–	–	1.2[1]	0.86	–	–
Naphthalene	–	–	0.01	0.01	–	–
Phenols (as total C)	–	–	194	255	–	–
Total organic carbon (TOC) (as total C or COD/3)	–	–	432	473	–	–
Cyanides (as total CN)	–	–	0.84	0.73	–	–
Fluorides (as total F)	–	–	82[1]	90	–	–
Arsenic and arsenic compounds	–	–	0.062[1]	0.0069	–	–
Copper	–	0.32	0.15[1]	0.12	–	–
Chloroalkanes	–	–	0.015[1]	0.016	–	–
Trichloromethane	–	–	0.019[1]	0.021	–	–
PCCD + PCDF (dioxins + furans) in kilograms	0.0005[1]	0.0005	–	–	–	–

[1] Figure adjusted retroactively (see BP-2 for details).

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Information on sources of a high level of measurement uncertainty and information on measurement
E2-4 – Pollution of air, water, and soil	28a	Emissions released into the air, water, and soil (non-GHG)	Only includes emissions from installations that exceed the thresholds of the European Pollutant Release and Transfer Register (E-PRTR Regulation). Emission levels are based on an evaluation over the course of the CY and monitoring requirements, which are converted to the business year for reference factors	Estimate for individual quarters

ESRS E3 WATER AND MARINE RESOURCES

The protection of water and marine resources is one of the key environmental fields of action. voestalpine puts a great amount of effort into addressing the identified impacts of its business activities. In particular, its focuses on responsible water withdrawal and the efficient use of water resources. Technological optimizations, the closed-loop circulation of cooling water, and forward-looking water management play a central role in this regard.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic	Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Water	● Water withdrawal, water consumption	voestalpine draws significant quantities of cooling water from running waters, as water is essential for stable production processes, particularly for cooling purposes in pig iron and steel production, in melting processes, and during heat treatment. The materiality of this factor arises from the central importance of this resource, declining water availability due to climate change, and the potential thermal stress on the water bodies. In the upstream value chain, water is also essential for the provision and processing of certain raw materials	>>>	●●●●	Local residents Environmental Information Local, national, and international authorities NGOs and NPOs

Key

● 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

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E3-1 – Policies related to water and marine resources

Water is an indispensable resource for voestalpine's production processes. It is primarily used for cooling purposes in pig iron and steel production, in melting processes. and in heat treatments. Against the backdrop of increasing environmental and regulatory requirements, sustainable, structured, and systematic water management activities are crucial, both when it comes to minimizing impacts and to ensuring long-term production capacity.

The Group's Environmental Policy is an overarching framework that defines principles and guidelines. Certified environmental management systems (e.g., according to ISO 14001 or EMAS) are rolled out at all major production sites according to this policy, to ensure compliance with local targets (see also E3-3). The current coverage is provided in chapter E2-1. These environmental management systems incorporate, where necessary, local water management plans, which are maintained and further developed by specialized environmental departments on an ongoing basis. As described in detail in chapter E2-1, the Plan-Do-Check-Act (PDCA) approach is an integral part of these management systems.

Sustainable water management is of central importance both for the stability of existing processes and for ensuring the long-term operational viability of voestalpine's production sites. Group-wide, structured systems and clearly defined processes for responsible water management are in place at site level. All voestalpine production sites are included in reviews of water resources. These indicate that voestalpine sites are located in regions with water stress. Most of these sites have already implemented an environmental management system. The future integration of environmental management systems will be examined for the remaining sites in such regions.

Current water management activities within the framework of voestalpine environmental management systems include the following key elements:

» **Local water management plans**
Since water systems vary locally and are influenced to differing degrees by voestalpine companies, all water management strategies and measures are coordinated with local authorities and communities. In line with the pertinent legal requirements, all water withdrawals and water discharges are subject to official permits and are monitored in terms of quantity and quality. These permits are regularly reviewed in cooperation with external experts and adjusted if necessary. Comparisons with the current state of the art are also carried out on a regular basis (depending on developments and specifications), on the basis of which further adaptations are determined and implemented if necessary.

» **Separate water circuits**
Separate water circuits are used in the production processes to reduce and prevent the discharge of pollutants. As described above, the majority of the water withdrawn is used for cooling purposes, primarily through the use of indirect cooling systems. These function as separate cooling circuits: the primary cooling water flow, which draws on river water, for example, cools a secondary cooling circuit with the use of heat exchangers, which is then fed to the actual process. As a result, no pollutants are introduced into the water flow and the quantities of water removed can be returned to the ecosystems without any loss of quality. In the event that these continuous flow systems require very large amounts of water, the energy requirement, the maintenance work required, and the associated use of chemicals are comparatively low. Depending on local conditions, water availability, and process requirements, multiple cooling systems and circulation systems with cooling towers are also used. In addition to separated closed-loop circulation, actions are also taken to prevent the release of pollutants into the environment—in particular into groundwater—in the event of unplanned events or damage. For example, storage areas and production lines are equipped with catchment and retaining systems that are subject to regular inspections and functional tests.

» **Comprehensive waste water treatment**
In cases when contamination by direct product contact or process control is technically unavoidable, water pollution is minimized through targeted post-treatment. Specifically designed treatment processes for on-site waste water treatment facilitate the effective capture of pollutants. Efforts are made to treat similar waste waters with similar compositions together. At the Linz site, for example, alkaline and acidic waste waters from various production lines are separately collected and processed in specifically designed installations. Samples are taken on a regular basis from all discharge points and the relevant metrics are analyzed by accredited laboratories and monitored by the authorities. In cases where municipal waste water treatment plants have the necessary separation methods at their disposal, waste water is also sent to them directly. The composition and amount of waste water are contractually regulated to ensure that the separation of pollutant is warranted by the external facility.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
Water withdrawal, water consumption	Environmental Policy	Own operations	Management boards of the companies	» For implemented environmental management systems: regular compliance check as part of the PDCA cycle and engagement of authorities, experts, and direct representatives of neighboring communities as necessary

E3-2 – Actions and resources related to water and marine resources

The implemented environmental management systems and the water management plans in place at the operational sites require that in addition to continuous monitoring, activities relating to water and waste water management are defined and implemented on an ongoing basis.

The focus is on three key fields of action, which are explained in the previous chapter E3-1. This includes the separate management of water circuits to reduce and prevent the discharge of pollutants as well as to reduce water withdrawal and the associated waste water discharges, supported by local water management plans. Comprehensive waste water treatment also plays a crucial role, along with the development of safety measures to prevent unplanned emissions of pollutants such as leaks or fluid discharge. As with pollution, water protection activities are also implemented primarily at the local level, with no Group-wide action policies in place.

The large number of individual measures with varying scopes ultimately contributes to comprehensively improving the environmental situation. As corresponding water management activities are already being undertaken successfully within the framework of existing environmental management systems, no additional activities are currently envisaged.

The implementation of the aforementioned ongoing water management activities under the environmental management systems does not require significant operating expenses and/or capital expenditure. None of the planned actions in this area through business year 2030/31 currently exceeds EUR 5 million.

METRICS AND TARGETS

E3-3 – Targets related to water and marine resources

The main focus of the Group is on minimizing the impact of the production facilities on the local ecosystems and aquatic systems. On the one hand, this means avoiding or reducing the introduction of pollutants into water to the greatest possible extent, and, on the other, reducing the quantities of water in full, where possible, and keeping the thermal load low.

Pollutant discharges or water withdrawals can have an impact on the surrounding ecosystems and the local water balance. This, in turn, requires that regulations and requirements are adapted to local conditions. As targets often hinge on local conditions, they are set by the individual companies. For this reason, a Group-wide requirement for water quality or water consumption is not considered expedient. Within the framework of the existing environmental management systems, the companies pursue individual water management targets that are geared to local conditions. The effectiveness of local actions with regard to target attainment is reviewed through regular audits performed by external institutions. Group-wide target setting pursuant to ESRS is therefore not currently envisaged.

E3-4 – Water consumption

The term water consumption is widely used, but is often assigned varying definitions and interpretations. According to ESRS, water consumption refers to the amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment or a third party over the course of the reporting period. For the production of iron and steel and the processing of steel products, evaporation losses, and evaporation are the main influences on the water consumption.

The more extensive a technical process is, the more difficult it becomes to balance water flows. Accordingly, in a complex system such as an iron and steel mill, it is not possible to completely balance quantities using the monitoring systems in place. In light of this, the voestalpine Group has carried out a separate investigation into fresh water consumption. In accordance with ISO 14046, extensive water balances were established at the process level and the net fresh water consumption of the sites was calculated. Internal volume measurements were used to draw up the balances although it should be noted that approximately 95% of the water and waste water flows are directly measured by companies of the voestalpine Group. Where these measurements were not available, estimates and extrapolations were made on the basis of state-of-the-art data. This water footprint study was prepared by an external consulting firm in cooperation with experts from the operational sites and verified by another independent verifying body. The consumption figures reported here are based on the findings of this study and on the evaluations of the Group-wide collection of environmental data.

OVERVIEW OF WATER CONSUMPTION

	2024/25	2025/26
Total water consumption (m^3)	15,123,641	15,724,609
Total water consumption in areas exposed to water risk (m^3)	341,916	345,697
Total water recycled and reused (m^3)	84,979,662	61,197,319
Total water consumption in own operations (m^3/EUR million)	961	1,044
Net revenue used to calculate total water consumption in own operations: Total net revenue (Consolidated Financial Statements) (EUR million)	15,743.7	15,063.1

The decrease in the total water recycled and reused can be attributed to the limitation of closed-loop water circulation and withdrawal volumes in crude steel production.

Water consumption from areas exposed to water risk refers to regions affected by high water stress, as defined by the World Resources Institute's Aqueduct Water Risk Atlas.

The amount of water drawn for cooling purposes and production processes was 754.6 million m^3 in the reporting period (2024/25: 757.5 million m^3). This is the first time this information has been provided on a voluntary basis, and it offers additional useful insights into water management. The data for this metric is collected and calculated for both the previous and current reporting year based on feedback from Group companies.

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Information on sources of a high level of measurement uncertainty and information on measurement
E3-4 – Water consumption	28a	Water consumption	Water consumption figures are based on the water footprint study and have been converted to the BY for reference factors	Measurement uncertainty of monitoring systems and estimate for quarters
E3-4 – Water consumption	28b	Water consumption in areas of high water stress	Water consumption figures are based on the water footprint study and have been converted to the BY for reference factors	
E3-4 – Water consumption	28c	Total water recycled and reused	The parameters are based on data collected internally and have been converted to the BY for reference factors	
E3-4 – Water consumption	29	Water intensity	Calculated on the basis of parameters	
E3-4 – Water consumption	AR32	Water withdrawal	The parameters are based on data collected internally and have been converted to the BY for reference factors	

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	Value chain	Time horizon	Affected stakeholders
Biodiversity and ecosystems	●	Biodiversity in the upstream value chain	Impacts on ecosystems and biodiversity occur in the upstream value chain, in particular through the extraction of key raw materials for voestalpine production process, such as iron ore and coal (e.g., impacts on the scale and condition of ecosystems due to the extraction of raw materials)	Upstream	●●●●	Environmental Information Suppliers Local, national, and international authorities

Key

● 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

STRATEGY

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As part of the materiality assessment, voestalpine analyzed the extent to which biodiversity and changes in ecosystems have impacts on, and present risks and opportunities to, the business model. voestalpine recognizes that its greenhouse gas emissions contribute to climate change, which in turn affects biodiversity. However, as this relationship is global and does not have a direct impact on specific ecosystems or local sites, it cannot be measured directly. While biodiversity loss is a local phenomenon, emissions have a global impact—therefore, the direct impact of climate change on biodiversity loss due to the Group's own operations is not considered a material topic for voestalpine. Material impacts were identified in the upstream value chain, especially in relation to the extraction of raw materials. On the other hand, no impacts on biodiversity or ecosystems have been identified for the Group's own sites, which are mainly located in areas used for industrial purposes. Likewise, no material 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 IRO-1 E4.

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.

In addition, voestalpine specifically added the topics of biodiversity and the protection of ecosystems to the Code of Conduct and Code of Conduct for Business Partners in the reporting period in order to raise awareness of biodiversity. In the future, this should make it possible to build sustainable supply chains and also strategically select partners while taking the aspect of biodiversity into account. For further details on the Code of Conduct for Business Partners, see chapter G1-1 under "Code of Conduct and compliance guidelines based on it." A Group-wide approach is currently being developed on the basis of the above policy to systematically take biodiversity aspects into account in the upstream value chain and to evaluate them accordingly. The actions involved in this approach concern implementation in supplier management and are described in the following chapter E4-3. These actions are expected to lead to a better understanding of the impacts on ecosystems in the coming years and to provide a corresponding data set. The development of potential additional policies will then be addressed on the basis of this approach.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
Biodiversity in the upstream value chain	Code of Conduct for Business Partners	Business partners	Responsible: Management Board/executive management Monitoring and compliance regulations: Compliance organization	» The result of numerous conversations and discussions at the level of the Management Board as well as among executive management and department heads of the voestalpine Group » The Code of Conduct as well as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact, and the core labor standards of the International Labor Organization (ILO) » Available in multiple languages on the intranet and website: https://www.voestalpine.com/compliance/en

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.

A thorough understanding of suppliers is crucial when it comes to minimizing voestalpine's negative upstream impacts on biodiversity and ecosystems. voestalpine has developed a dedicated questionnaire to systematically record the environmental footprint along the supply chain. 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 such as ores and coal that have a material impact on natural habitats. voestalpine aims to gain insights into the environmental practices of its suppliers and create a data set in order to better assess risks and develop further measures or policies for the future.

voestalpine aims to systematically integrate the responsible use of natural habitats into the supplier management system in the future. Integration of the dedicated questionnaire into the Supplier Assessment Questionnaire (SAQ) is currently being worked on. As a result, conserving biodiversity will become an integral part of cooperation across the value chain.

In addition to raising awareness, these ongoing measures are expected to help suppliers to gain an overview of biodiversity practices and risks in the coming years. The aim is to then use this as a basis for examining the introduction of further measures in the future. In addition to meeting regulatory requirements, such as the CSDDD, this should also enhance transparency and reduce risks in supply chain with regard to biodiversity.

Compensation measures for impacts on biodiversity and ecosystems are currently not pursued by voestalpine.

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.

OVERVIEW OF ACTIONS

IROs addressed	Action	Time horizon	Scope of the action	Significant expenditure (if relevant)/other comments
Biodiversity in the upstream value chain	Integration of a supplier questionnaire on biodiversity and ecosystems into the SAQ	Current actions	Selected raw material suppliers	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 introduction phase and therefore their effectiveness can only be evaluated at a later stage.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Steel offers the ideal prerequisites for the circular economy due to its full recyclability, its durability, and its reparability. voestalpine is committed to resource efficiency by reintroducing scrap and other metallic residues back into the production process. By 2030, the use of secondary raw materials is to be further intensified by increasing the use of scrap in crude steel production by 50%.

By-products such as slag, dust, and sludge are recycled within the company or transferred to other industries where technically feasible and legally permissible. This reduces the company's reliance on primary raw materials.

In addition, voestalpine helps its customers increase their use of secondary raw materials through closed material cycles and recycling policies. The aim is to keep raw materials in the economic cycle for as long as possible and to minimize waste.

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Resource inflows, including resource use	●	Sourcing and use of primary resources	The extraction and refining of primary raw materials, in particular iron ore, coking coal and metallic alloying elements, results in significant material environmental impacts along the whole value chain. Collectively, raw material extraction, transport, processing and use have a decisive influence on the environmental profile of the metal and steel industry	›››	●●●●	Environmental Information Suppliers Internal departments (e.g., Purchasing)
Resource outflows related to products and services; and waste	●	Business models for recycling	voestalpine helps its customers increase their recycling rate by concluding and implementing circular economy agreements (e.g., recycling agreements) with a focus on recycling scrap iron and steel scrap. The increased use of secondary materials can significantly reduce the CO_2 intensity per ton of steel. The establishment of closed-loop material cycles and growing customer demands for resource efficiency also contribute to this materiality	›››	○●●●	Customers Suppliers Industrial associations

Key

● 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

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

E5-1 – Policies related to resource use and circular economy

SUSTAINABILITY STRATEGY – CIRCULAR ECONOMY

In business year 2025/26, voestalpine refined and further developed the circular economy strategic sphere of action as part of its sustainability strategy. This took place on the basis of the existing circular economy concept, which takes into account the external requirements of customers, markets, regulatory frameworks, and society as well as the challenges posed by a volatile commodity and energy market. It also sets forth internal priorities to ensure the economic and sustainable use of resources.

Within the framework of the circular economy concept, several strategic priorities have been identified. These were addressed as part of the review of the sustainability strategy under the circular economy and resource conservation sphere of action, refined, and further specified:

» Improving the life cycle assessment through sustainable process design across the entire value chain
» Ensuring the supply of raw materials in the long term and reducing dependence on individual countries
» Increasing resource efficiency by optimizing material use and minimizing waste
» Supporting the achievement of voestalpine's sustainability targets and increasing security of supply for customers
» Exploiting economic potential and new business opportunities in relation to the circular economy

Strategic initiatives and actions have been defined, for example, relating to circularity, secondary raw materials, zero waste, and material and energy use, which can facilitate the development of targets.

As an essential component of the Group-wide circular economy strategic sphere of action, voestalpine has already implemented activities for the recycling of material flows and has developed a waste management concept. These initiatives will form the basis for the future strategic orientation and advancement of the Group's circular economy. As part of the sustainability strategy, the circular economy strategic sphere of action is reviewed regularly as part of the strategy process.

At voestalpine, the circular economy is based on a model with 10 circular economy principles (10R). The circular economy is considered at different levels, covering both processes and products at different stages of the value chain and processing depths, as well as their business models.

The focus is on recovering value components and energy content for use in voestalpine processes and products and expanding cycles to prevent and minimize waste.

The main focus and core aspects of the circular economy at voestalpine are circularity, secondary raw materials, zero waste and complementary circular business models—each at the process and product level.

One important aspect in terms of secondary raw materials is voestalpine's approach to recycling, which aims to return internal and external scrap (pre-consumer and post-consumer) to production. The recycling initiatives cover the whole value chain—from the sourcing of raw materials to the return of recycled materials to production. voestalpine works in close partnership with its global suppliers and customers.

A particular challenge posed by recycling post-consumer scrap lies in maintaining the quality of the metal in the recycling process. This requires careful collection, sorting, and processing to ensure the scrap can be reused as a high-quality raw material.

The further expansion of scrap circuit loops and the increasing use of internal and external scrap in steel production is expected to improve the use of secondary resources. Use of scrap in crude steel production is also to be increased by 50% by 2030. In addition, extending the product service life through closed product and service cycles and reprocessing of tools and installations helps to reduce primary raw material requirements.

voestalpine works closely with its customers to close material loops. The aim is to increase their recycling rates and to increase the share of recycling and the use of secondary raw materials in general.

In terms of by-products from metallurgical processes, such as blast furnace slag (metallurgical slag), the policy envisages processing and use as secondary raw materials in the company's own installations or other industrial sectors.

Another important aspect of the circular economy strategic field of action is voestalpine's zero-waste approach, which aims to minimize or prevent waste as much as possible. In concrete terms, the policy calls for:

» A reduction in waste and landfill volumes, in particular more internal recycling of recyclables
» A reduction in the use of primary materials by introducing more secondary raw materials and recycled materials into the production cycle
» Ensuring the proper treatment of waste through binding agreements with external partners in line with the state-of-the-art technology
» Ongoing electronic monitoring and annual accounting for waste streams to ensure transparency and legal compliance

ENVIRONMENTAL POLICY

The Group's Environmental Policy is an overarching framework that defines principles and guidelines for various aspects, including the circular economy. This includes circular economies within the framework of voestalpine's sustainability strategy and environmental management systems. The latter help to clarify and put the principles of the Environmental Policy into practice at an operational level.

BUSINESS MODELS FOR RECYCLING

The voestalpine Group strives to establish and further expand its business models to facilitate recycling. The High Performance Metals Division (HPM), for example, has developed the divisional InSPire concept that covers all aspects of sustainability. As part of this concept, customers are able to participate in sustainable initiatives, while suppliers and partners are motivated to help shape transformation processes.

In terms of the circular economy, HPM focuses on material and scrap cycles, alternative sources of raw materials, recycling by-products, and zero waste.

PROCUREMENT POLICY – SUSTAINABLE PROCUREMENT

Raw materials are sustainably procured on the basis of the Group's Procurement Policy, which ensures that materials, including raw materials, are obtained in an environmentally friendly, ethical, and socially responsible manner.

In concrete terms, this involves:

- Supplier assessments and on-site audits to ensure compliance with sustainability criteria with regard to the environment (e.g., waste and recycling, water consumption and wastewater, emissions, biodiversity), human rights (e.g., discrimination, child and forced labor, health and protection), working conditions (e.g., working hours, occupational health and safety, fair pay), and governance (compliance and anti-corruption)
- A revised Code of Conduct for Business Partners that contains specific requirements for sustainable procurement For more detailed information, please consult G1-1
- Ongoing raising of awareness among global business partners with regard to sustainability targets and requirements for transparency in the supply chain

More information on the Procurement Policy can be found in chapter S2-1.

INNOVATION, RESEARCH, AND DEVELOPMENT

In order to optimize the use of resources, voestalpine continuously pursues product and process innovations to set new benchmarks in resource efficiency. Policies and actions related to research, development, and innovation are described in the chapters I,R&D-1 and I,R&D-2.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
All IROs for E5	Sustainability strategy – Circular Economy	Own operations Upstream and downstream value chain to a partial extent	Management boards of the divisions	» Consider external requirements of customers, markets, regulators, and society
All IROs for E5	Environmental Policy	Own operations	Management boards of the companies	» For implemented environmental management systems: regular compliance check as part of the PDCA cycle and engagement of authorities, experts, and direct representatives of neighboring communities as necessary
All IROs for E5	Business models for recycling	Own operations Upstream and downstream value chain to a partial extent	Management boards of the divisions	» e.g., InSPire—High Performance Metals Division
Sourcing and use of primary resources	Procurement Policy – Sustainable Procurement	Own operations Upstream value chain	Procurement board	» Consider stakeholder analysis in policy » Communication to procurement@voestalpine.com

E5-2 – Actions and resources related to resource use and circular economy

voestalpine pursues numerous measures to promote its internal circular economy and the external recovery of residues and waste—both from its own production and processing facilities and plants as well as from the downstream value chain. For one, process management in the integrated steel mills is subject to continual improvement. For another, internally and externally generated material flows as well as residual products and waste such as scrap and plastic are re(used) in the production plants.

PRIORITIES FOR ACTION

In its circular economy and resource conservation strategic field of action—part of its sustainability strategy—voestalpine has modeled its circular economy approach on the ten principles of circular economy (10R). These are implemented throughout the Group with three main areas of focus—narrowing the loop, slowing the loop, and closing the loop.

Loops are narrowed by minimizing the use of resources, increasing energy and material efficiency, and avoiding waste.

By contrast, loops are closed by treating and recycling raw materials and other materials in order to reduce the use of primary raw materials.

The following are examples of activities already being implemented by voestalpine:

- » Increasing the use of scrap metal and ensuring economic supply by expanding closed loops (gradual increase in the volume of scrap from external customers in preparation for the first phase of the transformation) with European automotive OEMs, suppliers, and railway operators for high-quality scrap metal and with tool manufacturers for higher-alloy steels
- » Optimizing the use of generated waste, as well as the treatment and recycling of associated streams such as scale, slag, sludge, and other metallurgical by-products
- » Securing the supply of raw materials by developing alternative secondary raw material sources, including the recovery of valuable materials from production processes (e.g., sludge and dust fractions)
- » Increasing the share of secondary materials in products
- » External marketing of secondary raw materials, in particular slag, in order to make the best possible use of industrial secondary raw materials
- » Reducing waste treatment and disposal, e.g., landfill volumes, through recycling and reuse in production, and processing processes
- » Recovering energy using waste heat from production processes, both for internal demand and for supplying to district heating
- » Efficiently using process gases as energy carriers in the individual process stages, thereby reducing the need for primary energy

Metal recycling activities contribute to reducing the use of primary resources.

The activities and measures for the scrap circular economy support target achievement pursuant to chapter E5-3 and are mainly undertaken in the Steel Division and Metal Engineering Division as part of the transformation of production processes for decarbonization efforts, and in the Metal Forming Division. Production in the High Performance Metals Division is already largely scrap-based. Projects are in place across all divisions to promote circular economy, preventing waste, and increasing energy efficiency. The actions therefore extend across the entire voestalpine Group.

Applying circular economy principles to material and energy flows at voestalpine requires broadening the perspective beyond the Group's own products and processes and integrating other value chains, for example for secondary raw materials, by-products, waste, and energy. voestalpine engages with its stakeholders on the circular economy at various levels. This includes, for example, direct dialog along the value chain with customers, suppliers, investors, and authorities (local, national, international) to support the implementation of activities and actions for voestalpine's circular economy.

In the reporting year, relevant capital expenditure of EUR 10.2 million was spent on actions and activities relating to waste and circular economy. (Expenditure exceeding EUR 5 million is considered relevant.)

OVERVIEW OF ACTIONS

IROs addressed	Action	Time horizon	Scope of the action	Significant expenditure (if relevant)/other comments
All IROs for E5	Metal recycling—using scrap as a resource	By 2030, depending on project	Entire upstream value chain	The means of achieving this initiative are accounted for in the greentec steel program and are included in E1 as part of the Climate Transition Plan
Business models for recycling	Package of stakeholder engagement measures	Up to 2030	Own operations Upstream and downstream value chain included in analysis	–

METRICS AND TARGETS

E5-3 – Targets related to resource use and circular economy

The voestalpine Group has set itself the voluntary target of increasing the use of scrap in crude steel production by 50% in its own operations by 2030. The increased use of secondary raw materials is designed to reduce the reliance on primary raw materials. This target falls under the third of the five stages of waste hierarchy under the EU Waste Framework Directive (2008/98/EC), namely recycling, as scrap is recycled as a raw material and reintroduced into the production loop. As the increased use of secondary raw materials optimizes the efficiency of the material cycle and reduces waste generation, this target is directly linked to improving the circular material use rate. Focusing on recycling scrap is crucial when it comes to reducing the use of resources and promoting a circular economy.

The inherent properties of steel are preserved through the recycling process. Steel products are durable, highly repairable and fully recyclable. The target therefore supports circular product design.

Another contribution to the achievement of this target is the planned technological transformation over the course of decarbonization, which requires a fundamental adaptation of the materials and circular economy, in particular through the increased use of secondary raw materials. Secondary raw materials are sourced and used at voestalpine in accordance with the principles of sustainability.

The targets were defined using specific methodologies and assumptions based on internal analyses and technical evidence, taking account of voestalpine's greentec steel program. Along with other factors, these include the interaction between the circular economy and GHG emissions, and the availability and quality of scrap as a secondary raw material. Assumptions have been made with regard to technological advancements and the market availability of scrap, which are accounted for in the set targets. Internal (e.g., strategy, technology, purchasing) and external stakeholders (e.g., customers) were involved in the target setting process.

The plan to increase the use of scrap is reviewed on an annual basis to ensure that progress is being made in line with the envisaged targets. Progress monitoring includes the identification and reporting of the scrap used in crude steel production on a regular basis. Circular systems were rolled out at the sites with integrated steel mills in Linz and Donawitz. These systems make it possible to recover, treat, and reuse valuable materials so that the material flows can be returned to the processes.

The planned technological transformation over the course of decarbonization requires a fundamental adaptation of the materials and circular economy management and is expected to make a significant contribution to achieving the voluntary target. Potential requirements for the circular economy from voestalpine's value chains are taken into account.

The divisions have also set voluntary divisional targets for resource use and the circular economy, for example within the framework of InSPire.

TARGET: USE OF SCRAP IN CRUDE STEEL PRODUCTION

KPI	Increase in scrap use	
UNIT	in percent	
BASE VALUE RESCALED	**STATUS**	**TARGET VALUE**
2.07 million t Calendar year 2023	**+3.6%** Business year 2025/26	**+50%** Business year 2029/30

Responsibility and monitoring	Management boards of the divisions
Scope	Own operations, upstream and downstream value chain to a partial extent
Stakeholders	Customers, state, authorities, shareholders, society
IROs addressed	All IROs for E5
Reference to policy	All policies from E5

Due to a change in the Group structure (sale of Buderus Edelstahl) and the associated elimination of scrap-based production in the business year 2024/25, the base value for scrap use was adjusted from 2.25 million tons to 2.07 million tons.

The reduction in the use of primary resources associated with the target can reduce the impacts on the loss of biodiversity in the upstream value chain (extraction of raw materials).

E5-4 – Resource inflows

As a producer of iron and steel products, voestalpine's main resource inflows are iron carriers such as ore, pellets, scrap, as well as the reducing agents coal, and coke. The following sections describe the main materials used in more detail.

RAW MATERIAL:

Iron ore

Iron ore is the key raw material for the production of crude steel through the blast furnace route and also plays a role in combined production involving direct reduction processes and an electric arc furnace (EAF) in the form of DRI (direct reduced iron, sponge iron), and HBI.

Coking coal

Coking coal forms the basis for the production of metallurgical coke and is therefore an important reducing agent. A reducing agent is a substance that removes oxygen from an ore and thereby converts the oxide into a metal. As part of the blast furnace route, coke, among other elements, reduces the iron oxide in the iron ore to produce pig iron. In addition, metallurgical coke provides the energy required for the blast furnace process.

Iron and steel scrap

Iron scrap is vital for both the oxygen converter (BOF) and electric arc furnaces (EAF). While the use of scrap in the BOF is limited by the metallurgical process conditions, an EAF can be operated with higher scrap use (up to 100% scrap) depending on the required product quality. Some of the scrap used is internally generated circular scrap from our own production, which is reintroduced to the process. Scrap is also produced during steel processing, for example during stamping processes in the automotive or white goods industry, and is then reintroduced into the materials loop as pre-consumer scrap.

Alloys

Different alloys make it possible to achieve specific steel properties. Important alloying elements include chromium, nickel, manganese, molybdenum, and vanadium, which give steel strength, hardness, corrosion resistance, and heat resistance, among other properties.

Water

Water is an important operating and auxiliary resource in the entire production and manufacturing process at voestalpine. It is used to cool the units, as process water, and to generate steam used for energy. For more information on water, see chapter E3.

voestalpine's RESOURCE INFLOWS

	2024/25	2025/26
Total weight of products and technical and biological materials used (t)	10,370,906	10,919,625
Percentage of biological materials (%)	0	0
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the company's products and services (t)	1,162,539	1,079,859
Percentage of recycled materials used in manufacturing (%)	11	10

Resource inflows are quantitatively analyzed in relation to steel products and on the basis of a database, which is also used to analyze other environmental metrics and to calculate GHG footprint. The majority of the metrics reported for this database are obtained from direct measurements taken by the companies or verifiable data on quantities provided by the suppliers. In certain cases, quantities are extrapolated from previous years' figures.

The predefined query structure for data collection helps to prevent double counting.

E5-5 – Resource outflows

PRODUCTS AND MATERIALS

As a steel and technology group, voestalpine offers a wide range of products and system solutions for various industries. These products are produced in four divisions with different focuses:

Division	Business unit	Products	Circular properties
Steel	Strip	High-quality steel strip	Highly durable; up to 100% recyclable; reused through scrap cycles
	Heavy Plate	Heavy plates	Durable; repairable; recyclable
	Foundry	Cast products	High recyclability through recycling in steel production
High Performance Metals	Production/ Value Added Services	Tool steels, high-speed steels, copper and aluminum alloys, nickel-based alloys, valve steels, machine steels, special steels, titanium products, services	Reprocessing to extend service life; complete recycling possible
Metal Engineering	Railway Systems	Rails, switches, signaling	Durable; repairable; reprocessable; long life; interchangeable thanks to modular design; recyclable
	Welding	Complete welding solutions	Recyclable base materials
	Wire Technology	Quality wires	Reusable; recyclable; durable
	Tubulars	Seamless tubes	Durable; repairable; up to 100% recyclable
Metal Forming	Tubes & Sections	Profile and tube products	Reusable; recyclable; long life
	Automotive Components	Ready-to-install system components made of pressed, stamped, and roll-formed parts	Designed for disassembly and recycling; modular design
	Precision Strip	Precision strip steel	High durability; recyclable
	Warehouse & Rack Solutions	Warehousing technology	Modular expandability and reusability

As voestalpine predominantly manufactures intermediate products that are further processed by its customers, a direct assessment of the final quality and associated statements on durability, reusability, and recyclability are only possible to a limited extent. For example, the same material, such as a heavy plate, can be installed in a ship's hull, a bridge, or a wind turbine, resulting in vastly different service lives. In general, however, steel products are long-lasting, highly repairable, and fully recyclable and can be reintroduced into the steel production process as scrap.

Depending on their application, steel products can have a service life of a few years to several decades. Regardless of the service life, steel products can theoretically be fully recycled time and again. Due to material losses in the closed circuit, it is currently assumed that substitution potential stands at 95%.

Compared to the products themselves, their packaging is of negligible relevance to voestalpine: packaging is assumed to make up less than 1% of the overall product weight.

WASTE

Steel production and the further processing of steel products generate various waste and recyclable materials, most of which can be reused in voestalpine's operations or recycled in other industries. If recycling is not possible for quality reasons or due to legal regulations, waste is treated and disposed of in line with the pertinent legal requirements.

Typical waste streams in the iron and steel sector:

- **Slag** is primarily a mineral phase composition produced in iron and steel production that can be used or disposed of in other industrial sectors, depending on the legal requirements for the material stream. For particular use cases, slag can also be classified as a by-product
- **Dusts** may contain metallic and non-metallic particles and are produced during exhaust gas purification, e.g., in dedusting plants.
- **Sludge** produced by the wet scrubbing of exhaust gases and in the treatment of process and waste water, for example, and consisting of various mineral phases and/or metallic components.
- **Scrap and ferrous materials**, such as metal residues, scale (oxidized metal particles) and other ferrous waste, which are largely reused.

At Group level, a survey of all metrics relevant to the environment takes place on an annual basis using an online reporting system. Waste-specific data is collected by local experts and definitions of waste types are entered in accordance with national requirements. The majority of the reported waste generation is based on direct volume measurements, which are also required by local regulations and verified by external bodies (e.g., the local authorities). Remaining residual quantities are extrapolated using the previous year's figures or indicative values.

RESOURCE OUTFLOWS

In tons	Hazardous waste		Non-hazardous waste	
	2024/25	**2025/26**	**2024/25**	**2025/26**
Waste diverted from disposal (re-use)				
Preparing for re-use	5,019	5,173	15,237	20,996
Recycling	7,027	7,242	106,661	146,974
Other recovery operations	88,341	91,041	639,967	881,841
Overall	100,387	103,456	761,865	1,049,811
Waste disposed of				
Incinerated	2,804	2,101	4,552	2,355
Landfill	12,153	9,106	100,146	51,816
Other form of disposal	78,526	58,839	350,511	181,356
Overall	93,483	70,046	455,209	235,527
Total amount of waste generated	193,870	173,502	1,217,074	1,285,338
Share of non-recycled waste (%)	48	40	37	18
Of which radioactive waste	0	0	–	–

Higher potential for the recycling of slag from production processes has reduced the share of non-recycled waste compared with the previous year.

OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Information on sources of a high level of measurement uncertainty and information on measurement
E5-4 – Resource inflows	31c	Weight of reused or recycled secondary components, intermediary products, and materials (including packaging)	The parameters are based on data collected internally and have been converted to the business year for reference factors.	Measurement uncertainty of internal data collection systems and estimate for quarters
E5-5 – Resource outflows	37a	Total amount of waste generated		
E5-4 – Resource inflows	31b-c	Biogenic and recycling content of resource inflows		
E5-4 – Resource inflows	31a	Material input		
E5-5 – Resource outflows	36a	Product longevity		
E5-5 – Resource outflows	36c	Recyclable content		

I,R&D INNOVATION, RESEARCH AND DEVELOPMENT

The following table provides specific information on SBM-3:

Topic/sub-topic/ sub-sub-topic		Impact, risk, opportunity (IRO)	Description	Value chain	Time horizon	Affected stakeholders
Innovation, research & development	●	Product innovations	Through ongoing research and development, the product portfolio is being expanded to include low-emission steel grades from certified sites, as well as innovative materials and components that take environmental considerations into account	›››	●●●●	Educational institutions and research Customers
	+	Increased recycling efficiency through technological innovation	Introducing innovative technologies into the recycling process can boost efficiency and further increase the recycling rate, especially for old scrap, resulting in cost savings through increased resource efficiency and reduced reliance on purchased materials. This is also essential as it helps with entering new scrap markets and the associated stabilization of the material supply	›››	○●●●	Educational institutions and research Customers
	+	Breakthrough technologies	voestalpine invests in research, development, and innovation to establish the technological basis for steel production with net-zero CO_2 emissions. These breakthrough technologies include, in particular, processes for hydrogen-based steel production, such as Hy4Smelt, or for carbon capture, utilization and storage (CCUS)	›››	●●●●	Educational institutions and research Customers
	!	Ensuring product quality with increased use of scrap	The increased use of scrap in the course of the transition of primarily coal-based blast furnaces to electric arc furnaces carries the risk of decreasing product quality. This risk is material due to potential quality losses arising from changes in the use of raw materials (scrap, fine ore) and due to high quality requirements in the customer industries	›››	○●●●	Customers

Key

● 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

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

I,R&D-1 – Policies related to innovation, research & development

As key elements of the corporate strategy, Research and Development (R&D) and Innovation make a significant contribution to voestalpine's position as a leader in innovation, technology, and quality. In the business year 2025/26, the R&D and Innovation Strategy 2030+ was developed on the basis of the Group Strategy 2030+, with implementation planned to begin in the 2026/27 business year. The strategy aims to ensure the long-term economic success of the company through innovative processes and sustainable products.

voestalpine's decentralized R&D and Innovation organization is underpinned by strategic innovation guidelines, a defined innovation process, and the alignment of research projects with the phased implementation of CO_2 emission reduction technologies to achieve net-zero emissions by 2050. As research cannot be considered in isolation, no measurable and specific outcome-oriented targets have been set for R&D and innovation at this stage (see chapter I,R&D-3).

Policies related to R&D and innovation are not based on external statements or principles, and there are no available frameworks or standards on which this report is based with the exception of MDR-P from the ESRS standard. The geographical area and scope of the policies encompasses all of the Group companies around the world active in R&D. The strategies are communicated internally through the R&D network, namely at internal events and on the Group-wide intranet. The strategies are communicated to external stakeholders, such as customers or applicants, for example at presentations or on company websites.

ORGANIZATION OF INNOVATION, RESEARCH, AND DEVELOPMENT AT THE voestalpine GROUP

R&D and innovation at the voestalpine Group is organized in a decentralized manner in order to ensure close links are maintained with the respective companies, their production, and quality control as well as with the market and customers. The global network with around 70 locations involved in R&D is centrally controlled from Linz by the Research Board and Research Coordination.

The Research Board, which is composed of the members of the Management Board of voestalpine, the divisional technical directors and the Head of Group Development, meets twice a year. It coordinates the Group and divisional innovation roadmaps, thereby setting the research priorities. The research activities within the divisions are led by an R&D coordinator, while digitalization agendas that involve R&D are managed by the divisional digitalization coordinators. The respective steering committees meet quarterly. The Research Committee is primarily composed of the research managers at companies and business units that engage in R&D, and provides a format for the sharing of information between the individual divisions as well as strengthening synergies across divisional boundaries. The Research Committee and Research and Digitalization Coordination are chaired by the Group Head of Research.

Strategic R&D management, overseen by the Group Head of Research, plays an overarching role within the organization. One of its core tasks is to represent the Group in matters concerning R&D, research policy, and public relations. Other activities include the coordination of committees and steering groups, the preparation of the R&D strategy, and active patent, literature, and funding management. The Group's internal research organization is complemented by cooperation with external scientific partners.

R&D ORGANIZATION

RESEARCH BOARD
Chair: CEO Herbert Eibensteiner
Management of R&D within the Group: definition of key topics, approval of R&D programs and budgets, resource decisions, ...

RESEARCH COMMITTEE
R&D managers of all companies
Group-wide R&D network: R&D focus, highlights, trends, results, exchange of information, Group projects

RESEARCH COORDINATION
One coordinator per division
R&D management: reporting, budgets, strategy, divisional projects, lobbying, cooperations, ...

DIGITALIZATION COORDINATION
One coordinator per division
Management: divisional strategies, roadmaps, highlights, exchange of information, ...

The decentralized organization of research activities within the voestalpine Group makes a significant contribution to strengthening the efficiency and effectiveness of the corresponding product and process innovations. Each research site has specific core competencies, which facilitates the development of a diverse range of products. In addition, the pooling of expert knowledge at select locations promotes the implementation of process innovations geared towards a sustainable society.

STRATEGIC INNOVATION GUIDELINES

voestalpine's R&D and Innovation strategy is directly derived from the Group strategy. The strategic innovation principles underline the importance of R&D within the Group and its contribution to the sustainable and successful development of voestalpine. They were completely revised as part of the strategy process in the business year 2025/26:

1. **We align our R&D-activities strategically from:**
   R&D activities are clearly aligned with the strategic direction of the voestalpine Group, with a focus on value creation and competitiveness.

2. **We rely on focused R&D and transparent control:**
   R&D projects of high strategic importance are prioritized and allocated the appropriate resources. Select priority topics are the focus in this regard.

3. **We create synergies through internal and external cooperation:**
   We rely on interdisciplinary teams, knowledge sharing and knowledge transfers, and strengthen competencies in Group-wide clusters of experts. Together with our global network of scientific partners, we work on common issues over the long term.

4. **We develop innovations for and in partnership with our customers:**
   We work in close collaboration with our customers and their R&D departments to develop products, systems, and business models from the initial concept to market launch.

5. **Our R&D employees are the most important factor in our success:**
   The human factor is paramount, and we prioritize training, qualifications and promoting young talent to secure long-term expertise.

6. **We are committed to continuous improvement:**
   Our developments are aimed at improving quality and optimizing costs.

7. **We are breaking new ground and embracing innovation:**
   We are curious and open to new trends and technologies, driven by creative freedom and a willingness to take risks.

8. **R&D is the driving force behind the green transformation:**
   We actively accept the challenges and opportunities posed by the green transformation, and develop processes to integrate new production routes. As a core aspect of our innovations, we take sustainability into account both in the manufacturing process as well as in the downstream processing and use phases.

Our strategic innovation guidelines are specifically geared towards the IROs for product innovations. When formulating the guidelines, the interests of various stakeholders, including customers, employees, and applicants, as well as the Management and Supervisory Board, were taken into account through measures such as dialogues, cooperation, and events.

PRIORITIZED INNOVATION ROADMAPS

All R&D activities are aligned with the voestalpine Group strategy (see strategic innovation guidelines), which is geared toward current and relevant megatrends. These activities are assigned to the research priorities of the individual divisions and summarized in the prioritized innovation roadmaps. Each key topic is broken down into more detail in the corresponding roadmaps of the divisions, business units, and companies, and eventually at individual project level. The innovation roadmaps depict development programs and projects with a time horizon of 10 to 15 years.

Preparation of the prioritized innovation roadmaps falls under the responsibility of the R&D coordinator of each division. Once complete, the roadmaps are coordinated with the members of the Management Board in charge of the divisions on the corresponding decision-making boards. This is followed by annual approval by the Management Board within the framework of the Research Board. The respective prioritized innovation roadmaps—available for all companies that engage in R&D in the individual divisions—aim to define medium and long-term innovation priorities in terms of product and process development, and to allocate the necessary resources. This allows voestalpine to help shape new market trends and establish successful innovations (see IROs for product innovations). The roadmaps take into account the needs of customers and markets along with any new technological advancements or legal requirements and standards.

R&D STRATEGY FOR MODULAR IMPLEMENTATION OF NEW TECHNOLOGIES TO ACHIEVE DECARBONIZATION TARGETS

In order to achieve the decarbonization targets, the R&D and Innovation strategy pursues a three-pronged approach to prepare for and accompany the Group's decarbonization strategy:

» In the first stage, the existing blast furnace processes are optimized to minimize CO_2 emissions and to ensure the efficient use of by-products.

» Progress is made on the electrification of processes in the first expansion step. Intensive research activities are required to facilitate the commissioning and successful operation of the electric arc furnaces at the sites in Linz and Donawitz. These activities include test melts, the development of alloy concepts as well as simulations and modeling. Research is focused on upholding our ability to continue producing the highest quality steel grades even after the process route has been changed in order to counteract the risk of decreasing product quality due to a higher use of scrap material in the EAF route. Due to increasing demand for scrap metal, research is needed to make the most efficient use of available resources and to tap into new sources, such as post-consumer scrap, for example through closed loops with customers.

» In order to achieve the net-zero emissions target by 2050, new technologies must be developed and brought to market, in addition to electric arc furnaces. These breakthrough technologies include SuSteel (Sustainable Steelmaking), which is already delivering initial results on a pilot scale, and the globally unique Hy4Smelt demonstration plant, which is being built at the Linz site as an extension of the HYFOR pilot plant. In addition to these carbon direct avoidance technologies, which prevent the generation of CO_2 already in the process, processes for the capture, storage and utilization (CCUS) of unavoidable CO_2 emissions are also being developed. The further development and especially the implementation of these methods are research and resource intensive, requiring comprehensive applied basic research.

This research strategy addresses the IROs for the topics of breakthrough technologies, increasing recycling efficiency through technological innovation, and ensuring product quality with the increased use of scrap. It takes into account the interests of management, legislators, customers, and residents near the location and in communities neighboring the steel-producing companies, whose emissions are gradually reduced as a result.

POLICY OVERVIEW

IROs addressed	Policy	Scope of the policy	Responsibility and monitoring	Other comments
Product innovations	Strategic innovation guidelines	Own operations Downstream value chain to a partial extent (in line with customer requirements)	Head of Group-wide Research & Development and Innovation	» The interests of customers, research institutions, employees, and candidates are taken into account » External communication, e.g., at presentations
	Prioritized innovation roadmaps	Own operations to a partial extent Downstream value chain to a partial extent (customer innovations)	R&D coordinator of the divisions Approval in the annual research board under the leadership of the CEO	» The interests of customers, research institutions, universities, and management are taken into account » External communication, e.g., at presentations
Breakthrough technologies Ensuring product quality with increased use of scrap Increased recycling efficiency through technological innovation	R&D for modular implementation of new technologies to achieve decarbonization targets	Own operations Downstream value chain to a partial extent (in line with customer requirements)	Project managers of R&D sub-projects Approval in the annual research board under the leadership of the CEO	» The interests of customers, legislators, neighbors and neighboring communities, and management are taken into account » External communication, e.g., at presentations or through Group-wide communication on decarbonization

I,R&D-2 – Actions and resources related to innovation, research & development

Research projects derived from the innovation roadmaps constitute the actions taken in the field of innovation, research, and development to address the related impacts, risks, and opportunities (IROs). For the business year 2025/26, six actions or packages of actions (five actions in Business Year 2024/25) have been identified that will contribute in particular to achieving the projects and objectives of the strategies related to R&D and innovation. Packages of actions refer to a set of several individual R&D projects that contribute to the fulfillment of an overarching priority topic.

Due to their high strategic relevance, two of these actions are also being managed as Group projects. In addition to individual projects, which are usually handled by a team of researchers who are assigned to a company or business unit in organizational terms, division-wide competencies are pooled in Group projects. Group projects address strategically important issues and are associated with high project costs and a higher project risk. This targeted cooperation accelerates implementation, thereby increasing efficiency. The following Group-wide R&D projects were undertaken in the business year 2025/26:

» Sustainable products (project duration December 1, 2022 to November 30, 2025)
» Simulation of complex (supply chain) networks (project duration April 1, 2024 to March 31, 2028)

In line with the voestalpine standard on monitoring the progress of Group research projects, the implementation of actions is monitored as follows:

i) The definition of targets such as acquiring expertise, future income, or sales
ii) Project controlling by a steering committee (quarterly)
iii) Status report to the Management Board within the framework of the Research Board (annual)

A defined monitoring process applies to all projects that are not managed within the scope of Group projects: Monitoring of the implementation of the described actions is carried out within the scope of progress reporting for the entire R&D project portfolio. Milestones are defined and their achievement is monitored within the framework of project management and project controlling. Content, scheduling and cost aspects are taken into account in the process. If milestones are not reached, adjustments are made or the projects are prematurely stopped.

The actions and packages of actions are explained in detail below and are discussed with regard to impacts, risks, and opportunities. The stated R&D expenses are solely OpEx costs and the implementation of the projects is not subject to any preconditions. An exception is the Hy4Smelt initiative, to which CapEx expenses are also allocated but by definition are not part of (gross) R&D expenditure. A total of EUR 32.06 million (2024/25: EUR 19.36 million, OpEx only) was spent on the R&D projects in the past business year as a result of the actions listed above, of which EUR 26.13 million OpEx costs and EUR 5.93 million CapEx costs. OpEx costs represented 11.79% of total gross R&D expenditure (2024/25: 8.85%, based on the corresponding gross R&D expenditure). Similar levels of expenditure are also planned for the business year 2026/27 to ensure the ongoing implementation of planned projects.

R&D FOR SUSTAINABLE PRODUCTS AND GROUP PROJECT "SUSTAINABLE PRODUCTS"

The Group project "Sustainable Products," which was launched in December 2022 and ended as scheduled in November 2025, contains 22 sub-projects focused on energy and mobility, products for agriculture and the food industry, and aspects to optimize products in the use phase. A total of 25 Group companies from all divisions were involved in the implementation of this action. Overall project management and coordination fell under the remit of the Metal Forming Division, which is also the division most involved in the sub-projects. By pooling expertise, sustainable products can be brought to market in a relatively short period of time and generate sales within a few years. For example, as part of a sub-project of the High Performance Metals Division, a complete process chain for high-quality tool repair was developed. In the Metal Forming Division, a pilot sub-project developed mounting structures for agrivoltaics, enabling the dual use of land for electricity generation and agriculture. In the final year of the project, a particular focus was placed on the orderly completion of the corresponding individual projects and finalization of the project documentation.

R&D expenditure for all sub-projects up to the end of the project came to EUR 9.58 million in the business year 2025/26 (2024/25: EUR 8.40 million). EUR 29.02 million was spent over the entire project period. This action focuses on the IROs of product innovations by integrating environmental requirements into the development of new products through R&D activities. This will strengthen both the competitiveness and the financial performance of voestalpine.

R&D FOR greentec steel—EXPERIMENTAL MELTING, DYNAMIC ALLOYING, AND ACTIVE INTERVENTIONS IN PRODUCTION PROCESSES

The production of steel grades of consistent quality even after the transition from the blast furnace to the electric arc furnace route poses a major challenge, especially for the high-quality automotive and wire rod segments. The increasing proportion of scrap in the input material leads to an increase in the level of accompanying elements, which has direct impacts on mechanical properties such as the strength, ductility, and hardenability of the end product. R&D therefore focuses strongly on determining the relationship between the steel grade, the mix of input materials, and the resulting product characteristics.

The package of R&D actions for greentec steel, primarily processed by the Metal Engineering Division and the Steel Division, comprises the following focal points:

i) **Experimental melts and experimental programs (Metal Engineering and Steel Division)**
The influence of the level of accompanying elements on the physical and chemical properties can be investigated through the targeted production of melts with a defined composition. These studies provide the basis for further experimental activities.

ii) **Dynamic alloying (Metal Engineering and Steel Division)**
Since the exact composition of the scrap is known only after melting in the electric arc furnace, metallurgical counter-measures are necessary during the process. Dynamic alloying allows the alloy quantity to be adjusted so that the final properties of the product remain within specified limits.

iii) **Forecast-driven process adjustments (Steel Division)**
Not only the material composition, but also the processing parameters have a significant influence on the final properties of the product. By purposefully adapting the process parameters in the last property-determining step, namely the annealing furnaces, material properties can be adapted to the specified limits.

Since 2021, the transition of the production routes on electric arc furnaces in Linz and Donawitz has been accompanied by intensive research. By the time the first electric arc furnaces are commissioned in 2027, the first intensive phase of R&D is scheduled to be completed. However, research activities to maintain product properties will continue in the years that follow. In the business year 2025/26, related research activities continued in order to make a significant contribution to the successful transition of the process routes.

The package of actions mitigates the risk of ensuring product quality in the case of higher levels of scrap due to the transition from the blast furnace route to the electric arc furnace route. The described R&D activities can minimize this risk, which is based on physical/chemical principles. The ability to react rapidly to the composition of input materials, in particular the proportion of accompanying elements in scrap, also improves recycling efficiency through technological innovation. A total of EUR 14.14 million (2024/25: EUR 9.26 million) was spent on the individual R&D projects for this key research focus in the past business year.

SIMULATION OF COMPLEX NETWORKS AND POST-CONSUMER SCRAP

Scrap is already playing an essential role at voestalpine's production sites. Due to the limited availability of high-quality steel scrap on the world market, research activities are necessary both to increase the efficiency of recycling processes, especially for old scrap, and to venture into new scrap markets.

In particular, the conversion of process routes from blast furnaces to electric arc furnaces is accompanied by a sharp increase in scrap demand. The objectives of the “Simulation of complex networks” action are to understand and visualize the supply chains relevant to the voestalpine Group, to simulate and optimize the flow of scrap, as well as to simulate worst-case scenarios and develop remedies. The topic has been implemented as part of a Group project since April 2024 and is planned to run for four years. In the past business year, the planned milestones were achieved, with a particular focus on gaining an understanding of multi-sectoral and multi-regional dependencies as well as on the advanced modeling of the rail system. In the past business year, EUR 0.33 million was spent (2024/25: EUR 0.22 million).

In other individual projects, the voestalpine experts are intensively researching the treatment and use of scrap, otherwise known as post-consumer scrap. Compared to new scrap, which is produced as waste during punching, for example, the use of post-consumer scrap, which is often mixed with other materials, can present a number of challenges. Composite materials and other non-metallic components need to be separated in a complex process before further processing. The KIRAMET project (artificial intelligence-based recycling of metal composite waste), for example, involves working with partners from academia and industry on AI-based solutions for processing these material flows. In the project consortium, voestalpine is responsible for classifying reprocessed scrap with innovative sensor- and model-based solutions, and investigating the impact of this on the production of high-quality steel products. During the project period from July 1, 2023 to December 31, 2026, the aim is not only to increase the added value of secondary raw materials; networking between industrial companies will also enable holistic management of the recycling chain.

The projects listed in this package focus on the IROs related to increasing recycling efficiency through technological innovation. By systematically analyzing scrap streams and gaining an understanding of the relevant supply chains, active steps can be taken to ensure a stable supply of materials. In addition, the targeted processing of old scrap can open up additional material sources and significantly increase resource efficiency.

APPLICATION OF SUSTEEL TECHNOLOGY AND OPERATION OF THE SUSTEEL PILOT PLANT IN DONAWITZ

A trial project is currently being undertaken in the SuSteel (sustainable steel) test plant at the voestalpine Stahl Donawitz GmbH site: the production of crude steel using hydrogen plasma in a single process step. In this CO_2-free method, in which only steam is produced as a by-product, the intermediate stage of pig iron can be completely bypassed. In addition to voestalpine Stahl GmbH and voestalpine Stahl Donawitz GmbH, two long-term academic cooperation partners, namely K1-MET and the University of Leoben, are also involved in the implementation of this project.

In the past business year, R&D expenses of EUR 0.86 million (2024/25: EUR 0.89 million) were incurred for individual projects related to SuSteel technology. The SuSteel test plant, which has been successfully operating since 2021, demonstrates that the single-stage reduction of iron ores using hydrogen is an important alternative to fossil-based reducing agents such as coke, coal, or natural gas. The experimental findings on this breakthrough technology will also be of great importance, especially in the third stage of the successively implemented decarbonization plan to achieve net-zero emissions by 2050. The main research priorities in the past business year were, in particular, securing the supply of hydrogen and improving gas recovery. The package of actions is based entirely on the IROs for the application of the breakthrough technologies and makes a key contribution to building the necessary expertise for steel production with net-zero emissions by further developing hydrogen-based processes.

Hy4Smelt DEMONSTRATION PLANT—COMBINING HYFOR TECHNOLOGY WITH THE SMELTER PROCESS

Since fall 2025, construction of the world's first demonstration plant, Hy4Smelt has been underway at the voestalpine site in Linz. The plant will be able to combine hydrogen-based direct reduction for ultrafine iron ores using HYFOR technology with an electric melting process (smelter). This project is being undertaken on the basis of the results from the HYFOR pilot plant, which is being operated at the voestalpine Stahl Donawitz GmbH site in partnership with partners from the worlds of industry and academia. HYFOR technology (hydrogen-based fine-ore reduction) enables the direct reduction of ultrafine iron ores in a fluidized bed using 100% green hydrogen without prior sintering or pelleting. The direct reduced iron (DRI) is melted in the smelter using electricity from renewable sources under a protective atmosphere. This results in the end product of granulated pig iron (GPI), which can be used and further processed in electric arc furnaces and LD converters. The green hydrogen required for the reduction step is generated directly at the Linz site through hydrogen electrolysis in the H2FUTURE pilot plant.

The groundbreaking ceremony for this demonstration plant took place on September 2025 and commissioning is planned for the end of the calendar year 2027. The research project, which runs until 2030, is being implemented by voestalpine Stahl GmbH and voestalpine Stahl Donawitz GmbH, together with the international plant manufacturer Primetals Technologies, and Rio Tinto, one of the world's largest mining groups. The K1-MET metallurgical competence center is the lead scientific partner on the project.

The total planned expenditure for the project is approximately EUR 170 million, of which voestalpine's share is EUR 41.8 million. Hy4Smelt is co-financed by Austrian (aws/Twin Transition and KPC/Transformation der Industrie) and European (RFCS/Clean Steel Partnership and Clean Hydrogen Partnership/Hydrogen Valleys) funding bodies. The R&D expenditure (OpEx) for the preparatory projects in the HYFOR package amounted to EUR 0.80 million in the business year 2025/26 (2024/25: EUR 0.59 million). With the start of implementation in the reporting year, the CapEx expenses in the business year 2025/26 amounted to EUR 5.93 million. The Hy4Smelt measure relates entirely to the IROs related to breakthrough technologies. The research into and construction of the demonstration plant marks an important intermediate step on the path to scaling up hydrogen-based technologies for steel production and establishing the corresponding technological basis.

CARBON CAPTURE AND UTILIZATION (CCU) – CROSS-SECTORAL DEMONSTRATION WITH THE ZEUS PROJECT

Hydrogen-based steel production methods, such as SuSteel or Hy4Smelt, are considered carbon direct avoidance technologies through which the generation of CO_2 emissions is avoided by the use of hydrogen as a reducing agent. However, unavoidable residual emissions are also generated as a result of the overall process; these can be actively converted into usable products through carbon capture and utilization (CCU). In the cross-sectoral flagship project ZEUS (Zero Emissions through Sector Coupling), voestalpine Stahl GmbH is demonstrating a climate-neutral process chain with partners from academia and industry. The corresponding steps include the production and processing of green hydrogen under fluctuating process conditions, the capture of CO_2 from industrial waste gases and its subsequent conversion into valuable and storable products. An amine scrubber is used for the capture, with various solvents and membrane concepts being investigated. The conversion takes place, for example, in the methanation plant in which CO_2 is converted into synthetic methane (CH4) using hydrogen in a catalyst. The methane is then fed back into the circuit. In a pilot plant that went into operation at the start of the 2026 calendar year, the electrochemical conversion of CO_2 into synthesis gas that can then be used as a reducing agent is being tested.

In addition to the value chain within voestalpine's own operations, the project is exploring the integration of the energy, hydrogen, steel, and cement industries into a continuous process chain. The project was launched at the beginning of October 2023 and runs for four years. The corresponding (gross) R&D expenditure came to EUR 0.42 million in the business year 2025/26 (2024/25: EUR 0.15 million). ZEUS is funded by the Climate and Energy Fund and is being carried out as part of the Energy Research Program 2022. The measure relates entirely to IROs for breakthrough technologies and contributes to achieving the long-term target of net-zero emissions by 2050.

OVERVIEW OF ACTIONS

IROs addressed	Action	Time horizon	Scope of the action	Significant expenditure (if relevant)/ other comments
Product innovations	Package of measures: R&D for sustainable products and Group project "Sustainable Products"	December 2022 – November 2025	Own operations to a partial extent Downstream value chain to a partial extent	EUR 9.58 million OpEx (Group project) Inclusion of customer interests
Ensuring product quality with increased use of scrap	Package of R&D measures for greentec steel: experimental melting, dynamic alloying, and active interventions in the production process	2021 – 2027 (Phase 1)	Own operations to a partial extent Downstream value chain to a partial extent	EUR 14.14 million OpEx Inclusion of the interests of customers and legislators
Increased recycling efficiency through technological innovation	R&D Group project "Simulation of complex networks" and post-consumer scrap	April 2024 – March 2028	Own operations to a partial extent Upstream and downstream value chain to a partial extent	EUR 0.33 million OpEx (Group project) Inclusion of the interests of customers, suppliers, research institutes, and universities
Breakthrough technologies	Package of measures: Application of SuSteel technology and operation of the SuSteel pilot plant in Donawitz	Ongoing; application particularly during Phase 3 of the Climate Transition Plan	Own operations to a partial extent	EUR 0.86 million OpEx Inclusion of the interests of customers, research institutions, and universities
	Package of measures: Hy4Smelt – combining HYFOR technology with the smelter process	Ongoing; application particularly during Phase 3 of the Climate Transition Plan	Own operations to a partial extent	EUR 0.80 million OpEx EUR 5.93 million CapEx Inclusion of the interests of customers, research institutions, and universities
	Carbon capture and utilization (CCU) – cross-sectoral demonstration with the ZEUS project	Ongoing; application particularly during Phase 3 of the Climate Transition Plan	Own operations to a partial extent	EUR 0.42 million OpEx Inclusion of the interests of customers and legislators

METRICS AND TARGETS

I,R&D-3 – Targets related to innovation, research R&D development

In light of its overarching role within the voestalpine Group, research, development and innovation forms a link between Group-wide sustainability goals and process and product innovations. The findings from numerous R&D related actions not only affect quantifiable targets, but must also be considered in the context of manufacturing processes. Process innovations in relation to the green transformation contribute significantly to reducing CO_2 emissions; but the savings cannot be attributed exclusively to R&D and innovation. Success in setting up and further developing the circular economy at all voestalpine locations largely depends on progress in development. As it is not possible to view this as an isolated factor, no R&D-specific measurable and outcome-oriented targets have currently been defined.

The effectiveness of the R&D projects set forth in the innovation roadmaps, which address material impacts, risks, and opportunities for voestalpine, is subject to a Group-wide guideline for assessing benefits. This ensures that all project benefits undergo consistent, transparent, and accountable monetary and non-monetary assessment, verification, and tracking in relation to R&D and innovation. As part of assessing benefits, a distinction is made between pre-project (ex-ante) and post-project (ex-post) evaluation. For projects that cannot be assessed in monetary terms, ex post checks are carried out to determine whether the planned intangible benefits have been achieved and whether the resulting projects have resulted in product or process developments. The knowledge gained in the course of this process is used to plan and manage future R&D projects in order to promote continuous improvement and strengthen the company's innovative power.

I,R&D-4 – Metrics related to innovation, research, and development

Researchers play a central role in the success of innovation, research activities, and development. In the business year 2025/26, 832 people (2024/25: 786 people) at the various voestalpine sites conducted research on innovative products and improved processes on an ongoing basis. In doing so, they made a significant contribution to achieving the company's environmental objectives. The number of employees in R&D corresponds to the total number of employees (headcount) who are directly assigned to the R&D departments of the individual Group companies. Employees who are involved in R&D projects but assigned to other areas are not included in this figure. In recent business years, the number of employees in R&D and innovation has steadily increased.

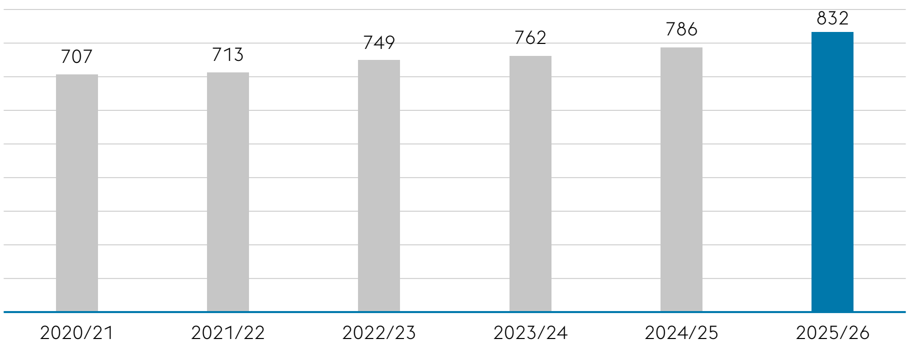
The high number of employees in R&D is accompanied by high R&D expenditure (gross). In the business year 2025/26, EUR 221.61 million (2024/25: EUR 218.89 million) was spent on research and development activities, reinforcing the key role of these activities in the business model of the voestalpine Group. A significant proportion of R&D expenditure is invested in projects that increase the sustainability of voestalpine processes and products in the long term. A slight increase in the R&D budget is planned in the 2026/27 business year. The (gross) R&D expenses are also included in Note B.3. Significant accounting policies in the notes to the Consolidated Financial Statements.

Total R&D expenses (gross) are calculated as the sum of the R&D expenses (gross) of all companies involved in R&D. R&D expenditure (gross) includes all expenses (directly attributable costs excluding VAT) for all R&D activities in the business year, which can be undertaken as part of the R&D program, regardless of whether they are carried out in the dedicated R&D departments or in other areas. These include personnel costs (salaries) and direct expenses for R&D (such as material costs, travel costs, use of infrastructure, and third party costs). Depreciation on fixed assets and patent application and maintenance costs are not included.

No assumptions or estimates are made for the calculation of either parameter, there are no limitations and, due to the low complexity of the computation, no validation is performed by external bodies. The two metrics are recorded in the OneStream consolidation tool. The responsibility for data entry lies with the respective consolidation tool officers in the Group companies. The accuracy of the data is verified by internal bodies (R&D managers and controlling) as part of a multi-stage review and approval process, and no external bodies are involved in the reporting.

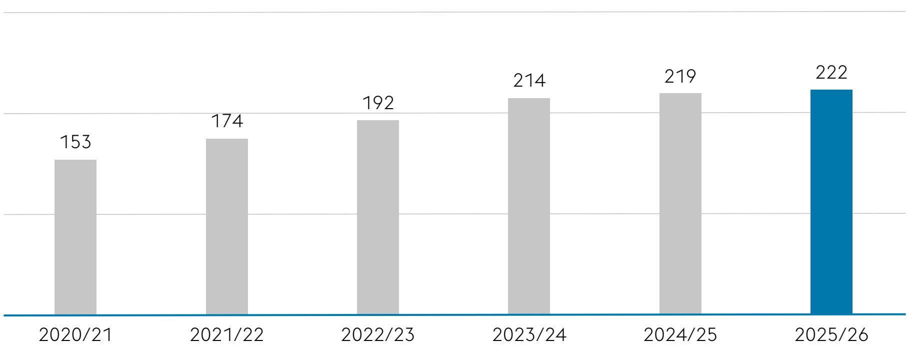
NUMBER OF EMPLOYEES IN RESEARCH AND DEVELOPMENT

In each case as of the March 31 reporting date



EXPENDITURE FOR RESEARCH AND DEVELOPMENT

In millions of euros



OVERVIEW OF METRICS

ESRS disclosure requirement	Paragraph	Datapoint/metric	Basis for the preparation and description of the assumptions and methodology	Information on sources of a high level of measurement uncertainty and information on measurement
I,R&D (entity-specific topic)	–	R&D expense (gross)	Sum of R&D expenses (gross) for all companies involved in R&D. R&D expenditure (gross) includes all expenses (directly attributable costs excluding VAT) for all R&D activities in the business year, which can be undertaken as part of the R&D program, regardless of whether they are carried out in the dedicated R&D departments or in other areas	Limited—data represents the individual companies
I,R&D (entity-specific topic)	–	Number of employees in R&D	The number of employees in R&D corresponds to the total number of employees (headcount) who are directly assigned to the R&D departments of the individual Group companies	Limited—data represents the individual companies