

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 m³ in the reporting period (2024/25: 757.5 million m³). 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	