



CORPORATE RESPONSIBILITY REPORT

2020

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1. PREFACE

Ladies and Gentlemen:

The global economy is facing its biggest crisis in decades. Within a very short time, the outbreak of the Covid-19 pandemic triggered a massive meltdown in demand in almost all countries and sectors. Economic uncertainty has grown by leaps and bounds. Both voestalpine and its employees are directly affected by the economic fallout of this crisis.

In this situation, voestalpine is giving highest priority to the health of its employees. Measures to protect the workforce were immediately put in place at all of the Group's sites worldwide. Wherever operations allow, our employees and co-workers work remotely from home. Given the ongoing health risk, these precautions will be implemented across the board until further notice.

But voestalpine also responded rapidly at the economic level, adjusting its production capacities to the changed business environment. A large number of employees in Austria and Germany were registered for short time work to ensure as best as possible in this situation that the company would not have to cut jobs; similar models were applied internationally. Nobody knows at the time this Report is published when the health and economic crisis will be overcome.

What is clear, however, is that nothing will change with respect to voestalpine's clear commitment to sustainable corporate governance and climate change mitigation. We have underscored this commitment not least by

signing the UN Global Compact (UNGC) and engaging as members in industry policy initiatives such as ResponsibleSteel.

As an industry trailblazer in the field of climate change mitigation, voestalpine has already spent years working intensely and urgently on technical scenarios aimed at decarbonizing the production of steel. The November 2019 launch at our plant in Linz, Austria, of the currently largest and most advanced electrolyzer facility in the world for the production of green hydrogen was a major step in the drive to accelerate this technological transformation. This EU-sponsored H2FUTURE project serves to test the large-scale industrial production of green hydrogen, which is to replace fossil fuels in steelmaking over the long term. As part of the Sustainable Steel (SuSteel) project in Donawitz, Austria, moreover, voestalpine is conducting research on how to achieve zero carbon production of crude steel using hydrogen plasma. In the long run, the Group seeks to increase the use of green hydrogen in the steelmaking process step by step so that it can bring about a more than 80% reduction in CO₂ emissions by 2050.

Until these technologies are actually available, voestalpine will test an interim step involving hybrid technology, i.e., the incremental switch in the medium term from coal-based steel production in blast furnaces to electricity-based steel production. This will make it possible to lower CO₂ emissions by about one third after 2030, specifically, by between three and four million

tons annually. In terms of both the implementation of a hybrid technology and the long-term technological transformation based on green hydrogen, however, the decarbonization of steel production hinges fundamentally on the availability of electricity from renewable energy in adequate quantities, at financially feasible prices, and via high-efficiency grids.

As for current production, it goes without saying that we will continue all our efforts to reduce our consumption of resources and focus intensely on ensuring accountable supply chain management beyond our factory gates.

But we make a substantial contribution to a more livable environment not just through our processes but also through our products: whether through still higher tensile and thus lighter steel grades for the automotive industry, fully digitalized rail technology systems to expand mass transit networks, sophisticated pre-materials and components for electric motors, or innovative steel solutions for generating renewable energy. We believe based on our intensive research and development work—the requisite financial expenditures reached a new high in the business year 2019/20—that there will be many opportunities for us in the future to actively support climate mitigation work.

Our focus on sustainability in the reporting period also led to a first in the realm of funding: voestalpine is one of the first companies to take out a syndicated loan from its banking partners that is tied to environmental and social gover-

nance (ESG), which means that the interest on the loan is linked to the Group's ESG performance among other things.

Above and beyond the aforementioned environmental and economic initiatives, the present Report also focuses, in particular, on voestalpine's labor force. With their know-how and their spirit of innovation, it is our employees who ensure day in and day out that our company achieves progress toward ever more efficient processes and ever better products. The Covid-19 crisis has shown yet again how important highly qualified and highly motivated employees are to maintaining the company and boosting its international competitiveness. This is precisely why we chose, even at this juncture, to continue our policy of training our own skilled workers and to step up the recruiting of new apprentices.

Thanks to our employees' dedication and voestalpine's resulting excellent technological position, I can look to the future with cautious optimism despite the extremely challenging economic environment. We will emerge from this crisis stronger than before only if everybody works toward that goal. With this in mind, I hope that you will enjoy reading voestalpine's informative Corporate Responsibility Report 2020.

Herbert Eibensteiner
Chairman of the Management Board
voestalpine AG

2. ABOUT THIS REPORT

This is the fifth Group-wide Corporate Responsibility Report (CR Report) of voestalpine AG. It contains information and data on the company's activities, performance, and goals that are material to sustainable development. The CR Report gives stakeholders insight into the Group's business activities and describes how voestalpine lives up to its economic, social, and ecological responsibilities.

STANDARDS AND SPECIFICATIONS

This Report was prepared in accordance with the "Core option" of the GRI Standards. These standards provide a globally recognized framework for transparent and comparable reporting on issues of sustainability. The GRI Content Index in the Appendix provides a detailed overview of the GRI Standards covered by this Report and indicates where the respective information is to be found.

voestalpine has participated in the Global Compact of the United Nations (UN Global Compact, UNGC) since 2013. This initiative calls on companies around the world to apply ten principles pertaining to human rights, labor standards, environmental protection, and the fight against corruption. The present CR Report documents voestalpine's performance in connection with these ten principles and thus serves as a Communication On Progress (COP).

The Austrian Sustainability and Diversity Improvement Act (NaDiVeG), which transposed EU Directive 2014/95/EU (NFI Directive) on the mandatory disclosure of non-financial indicators into national law, has been in effect in Austria since December 2016. In publishing this CR Report, voestalpine thus is fulfilling the requirements of Section 267a Austrian Commercial Code (Unternehmensgesetzbuch, UGB)).

PARAMETERS OF THIS REPORT

Unless otherwise stated, the information, figures, and facts published in this CR Report refer to the entire voestalpine Group. The financial performance indicators and employee data encompass all of the Group's consolidated entities. The roughly 130 voestalpine production companies—i.e., those that process, convert, or treat a product—accounted for more than one half of the data considered in the compilation of the environmental performance indicators. This limitation of the CR Report's parameters with respect to the environmental data accords with both the criteria of materiality and the Pareto Principle. The carbon footprint of the non-producing companies is relatively small, whereas the expenditures required to collect these data would be unreasonably large.

Impacts along the value chain that occur outside of voestalpine's factory gates but are subject to its sphere of influence are regularly evaluated as part of supply chain management and are managed with an eye toward sustainability. For reasons of confidentiality, however, this CR Report does not disclose detailed information and financial indicators related to the business activities of the company's suppliers.

BENCHMARK FOR SPECIFIC ENVIRONMENTAL DATA

Since 2017, the totality of the production volume has been used in lieu of just crude steel production as the benchmark for determining the specific environmental performance indicators. In addition to the weight of the crude steel produced at six plants (flat and long products resulting from the integrated furnace approach and special steel manufactured in electric furnaces) as well as the hot briquetted iron (HBI)

produced at the direct reduction plant in Texas, USA, the production volume data also includes data on the weight of those steel products whose pre-materials are externally sourced.

Accordingly, the specific indicators are provided per ton of product.

CONTENT OF THIS REPORT

voestalpine addresses the issues that are relevant to its sustainable development continuously and systematically. Both external and internal stakeholders were included in the

process of determining the content of and the material topics covered in the present CR Report (see the chapter, Stakeholders and CR Management).

REPORTING PERIOD

voestalpine's business year runs from April 1 of a given year to March 31 of the following year. The business year 2019/20 is the reporting period for the key financial indicators and employee data, but the environmental data are compiled by calendar year. Hence the calendar year 2019 is the reporting period for the environmental performance indicators.

The past five business and/or calendar years are shown for select key figures to enhance comparability and provide insight into the development of the key figures over a longer period.

REPORTING CYCLE

voestalpine publishes its CR Report once a year. The CR Fact Sheet, which summarizes the Re-

port's key figures and facts, is also published annually and simultaneously with the CR Report.

AUDIT

The auditing firm, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft Deloitte, audited this CR Report as to compliance with both the GRI Standards and the requirements of Section

267a UGB. See the Independent Assurance Report in the Appendix for further information on the audit and confirmation of the present CR Report.

STYLE AND LANGUAGES

So as not to impede the flow, the German version omits gender-specific wording. The English version uses gender-neutral wording to refer to all genders.

The CR Report is published in German and English. The CR Fact Sheet is available in 14 languages.

QUESTIONS AND COMMENTS

We look forward to your feedback. Please send any questions or comments regarding this Report to the following email address:

cr@voestalpine.com

3. FIGURES, DATA, FACTS

In its business segments, voestalpine is a leading global steel and technology Group with a unique combination of materials and processing expertise.

Thanks to its top-quality products and system solutions using steel and other metals, voestalpine is a leading partner to the automotive and consumer goods industries as well as to the aerospace and oil & natural gas industries. The Group also is the world market leader in railway infrastructure systems, tool steel, and special sections.





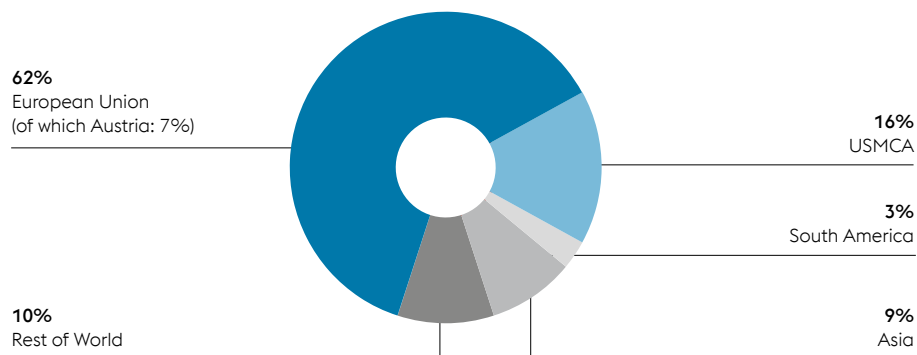
3.1 DEVELOPMENT OF THE KEY FINANCIAL INDICATORS

In millions of euros	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue	11,068.7	11,294.5	12,897.8	13,560.7	12,717.2
EBITDA	1,583.4	1,540.7	1,954.1	1,564.6	1,181.5
EBITDA margin	14.3%	13.6%	15.2%	11.5%	9.3%
EBIT	888.8	823.3	1,180.0	779.4	-89.0
EBIT margin	8.0%	7.3%	9.1%	5.7%	-0.7%
Employees (full-time equivalent) At end of business year	48,367	49,703	51,621	51,907	49,682
Research expenditures	131.8	140.3	152.0	170.5	174.4
Operating expenses for environmental protection facilities in Austria	237.0	231.0	258.0	299.1	314.5
Environmental investments for produc- tion facilities in Austria	55.0	46.0	41.0	66.0	35.0
Crude steel production (in millions of tons)	7.733	7.596	8.140	6.895	7.173

REVENUE BY REGION

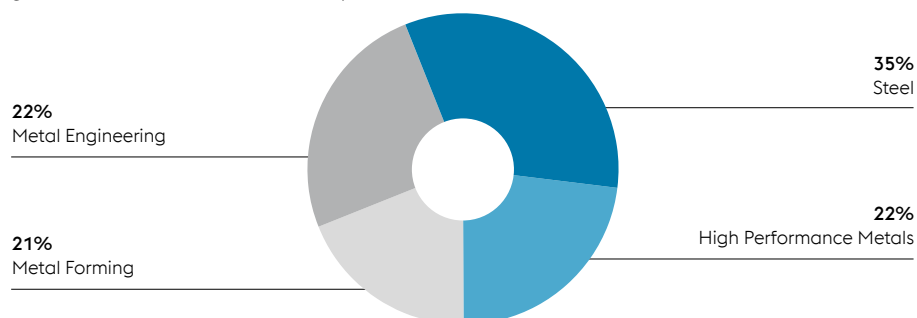
As a percentage of Group revenue, business year 2019/20

The revenue figures for Great Britain were reclassified from "European Union" to "Rest of World."



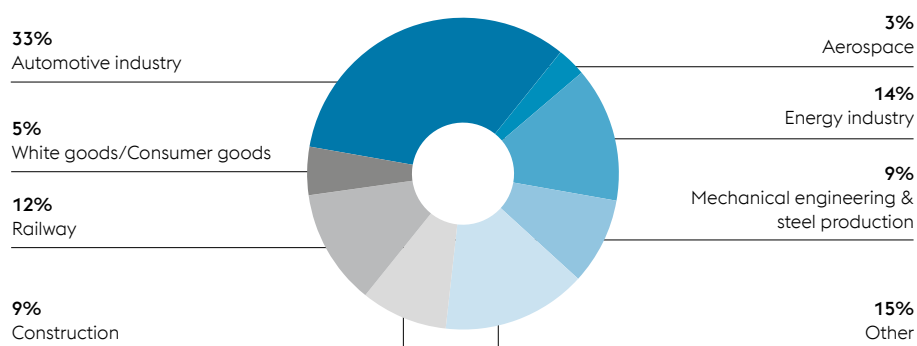
REVENUE BY DIVISION

As a percentage of total divisional revenue, business year 2019/20



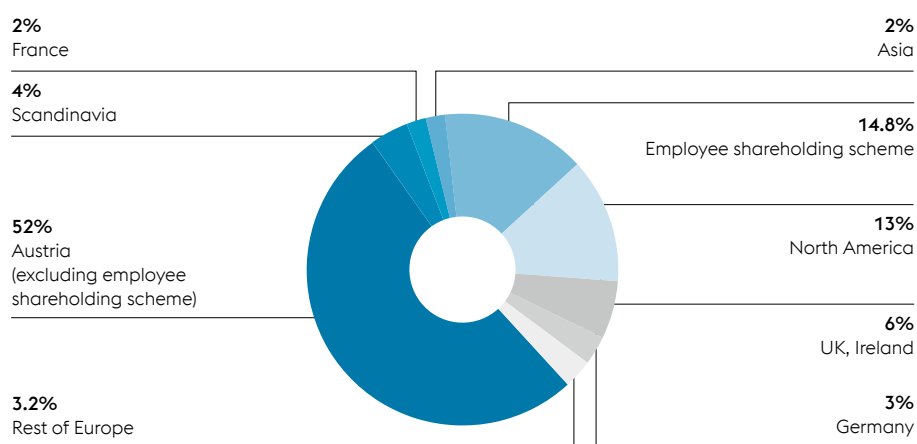
REVENUE BY INDUSTRY

As a percentage of Group revenue, business year 2019/20



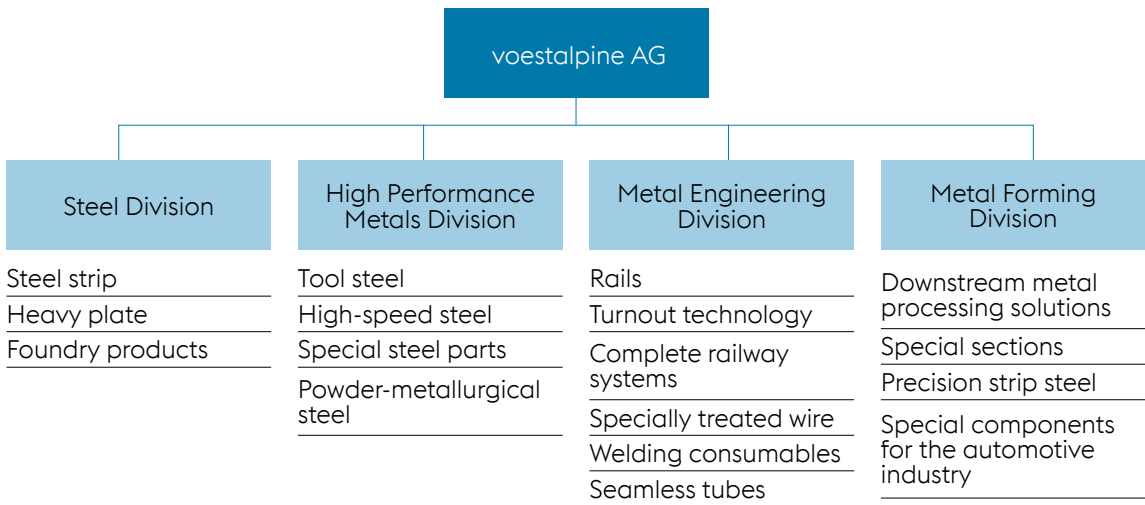
SHAREHOLDER STRUCTURE

In percent, as of the close of the business year 2019/20



3.2 THE FOUR DIVISIONS

voestalpine, which is headquartered in Linz, Austria, comprises 500 Group companies and sites in more than 50 countries on all five continents. The Group has four divisions.



3.2.1 STEEL DIVISION

As the division of the voestalpine Group that generates the highest revenue, the Steel Division is the quality leader in highest quality strip steel and a global market leader in both heavy plate for the most sophisticated applications and complex casings for large turbines.

The division produces highest quality hot and cold-rolled steel as well as electrogalvanized, hot-dip galvanized, and organically coated steel strip. This is augmented by electrical steel strip, heavy plate, and foundry activities as well as the independent downstream entities, Steel & Service Center and Logistics Services. The Steel Division operates the world's most advanced direct reduction plant in Corpus Christi, Texas, USA, which produces highest quality pre-materials (HBI) for steel production by both voestalpine and external customers.

voestalpine Stahl GmbH in Linz is the division's main company and its largest operating entity.

The Steel Division is the first point of contact for major automotive manufacturers and suppliers regarding strategic product development and supports its customers globally. Moreover, it is a key partner of the European white goods and mechanical engineering industries. For the energy sector, the division produces heavy plate that is used by the oil & natural gas industries as well as the renewable energy industry for applications under extreme conditions, for example, in deep-sea pipelines or permafrost regions.

For more information on the Steel Division, visit <http://www.voestalpine.com/group/en/divisions/steel>

3.2.2 HIGH PERFORMANCE METALS DIVISION

The High Performance Metals Division resulted from the acquisition of Böhler-Uddeholm AG. This group of companies is specialized in the production and processing of technologically most sophisticated high-performance materials and in customer-specific services such as heat treatment, state-of-the-art surface treatments, and additive manufacturing processes. The division's production companies are located in Austria, Germany, Sweden, Brazil, and the USA. Through its global network of sales and service centers, the High Performance Metals Division offers its customers local material availability and processing as well as local contacts.

It is the global market leader for tool steel and a leading provider of high-speed steel, valve steel, and other products made from special steel, metal powders, nickel-based alloys, and titanium.

The toolmaking industry which, in turn, works primarily for the automotive and consumer goods industries, is the division's most important customer group. The High Performance Metals Division's second production pillar comprises components for the most demanding applications in the oil and natural gas industry as well

as in aerospace, for which it is the leading global supplier. The division's companies supply materials and components for jet engines and aircraft engine mounts as well as for fuselages, wings, and tail units; components for landing gear, doors, and hatches as well as forgings. Not only steel-based materials are used for these items, but also nickel-based alloys and, increasingly, titanium.

The marketing and services network of the Value Added Services business segment at approximately 160 sites worldwide allows the High Performance Metals Division to maintain proximity to the customer. Because inventories are stored locally, this represents true added value, reducing the time required for deliveries, pre-processing, heat treatment, coating, application consulting, and other services. The division's customers thus benefit from the comprehensive value chain of a one-stop shop that offers production, marketing, and services.

For more information on the High Performance Metals Division, visit

<http://www.voestalpine.com/group/en/divisions/high-performance-metals>

3.2.3 METAL ENGINEERING DIVISION

The Metal Engineering Division of the voestalpine Group is the global market leader in railway infrastructure systems and the associated signaling technology (Railway Systems business unit). Through its Industrial Systems business unit, the division also is the European market leader in high-quality wire, a leading provider of seamless tubes, and a provider of complete welding solutions. It draws its customers from the railway systems industry, the oil and natural gas industry as well as the engineering, automotive, and construction industries.

The division produces the world's broadest range of premium rails and turnout products; high-quality wire rod and drawn wire; pre-finished seamless tubes; medium and high-alloyed welding consumables as well as semi-finished steel products. In addition, the Metal Engineering Division offers a comprehensive range of logistics and services for the rail and turnout technology product segments, including planning, shipping, logistics, installation, and recycling. It also owns steelmaking facilities.

For more information on the Metal Engineering Division, visit

<http://www.voestalpine.com/group/en/divisions/metal-engineering>

3.2.4 METAL FORMING DIVISION

The Metal Forming Division is the voestalpine Group's center of competence for highly refined sections, tubes, and precision strip steel products as well as for ready-to-install system components made of pressed, stamped, and roll-formed parts. Its ability to combine materials expertise and processing competence in ways unparalleled throughout the industry along with its global presence make the division the preferred partner to customers looking for innovation and quality.

The Metal Forming Division is a global manufacturer of tubes and sections made to customers' specifications as well as of highest quality precision steel tubes. It also supplies cutting-edge automotive body parts for lightweight construction solutions to the automotive industry and well-known automotive suppliers. Cold-rolled special strip steel for the most advanced applications is another specialty. Finally, the Metal Forming Division is known as a provider of intelligent rack system solutions for complex logistics challenges.

The division's flexible, mid-sized units offer its customers rapid problem-solving expertise at all stages of the development and production process. Its customers include practically all leading manufacturers in the automotive and automotive supplier industries, with a focus on the premium segment, as well as numerous companies in the commercial vehicle, construction, storage, energy, and (agricultural) machinery industries. Just as the voestalpine Group on the whole, the Metal Forming Division also maintains long-term customer relationships with most of its key customers and wins the day through both a global network and its unique combination of materials and processing expertise.

For more information on the Metal Forming Division, visit

<https://www.voestalpine.com/group/en/divisions/metal-forming>

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4. STAKEHOLDER AND CR MANAGEMENT

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

The Corporate Responsibility Steering Committee identified voestalpine's most important stakeholder groups on the basis of this definition.

A review of the list as to its completeness and topicality is conducted at regular intervals.



Management has the important task of maintaining the company's relationships with its stakeholders, taking up their concerns, and reconciling divergent interests as best as possible.

This orientation toward stakeholders has been and is the basis of voestalpine's successful and sustained development.

4.1 STAKEHOLDER COMMUNICATION

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

In addition, voestalpine is not only represented on a wide variety of bodies serving advocacy groups, trade associations, and lobbying campaigns, it also presents the company's concerns to these bodies. voestalpine also supports plat-

forms and initiatives that promote sustainable development.

During the reporting period, communications with individual stakeholder groups took place in various settings and on various topics. Below is an overview of how the company maintains its relationships with stakeholders and how it communicates with them. The examples presented stand for key stakeholder groups and the most frequently used formats. voestalpine also engages with other groups at different locations in multifaceted ways.

4.1.1 HUMAN RESOURCES

The voestalpine Group currently has a global workforce of just under 50,000 people. Both the annual employee performance review and the Group-wide employee survey are key tools for engaging in structured communications with them (see page 91). Employees' feedback is analyzed by management and flows into any measures the company takes, for example, with respect to personnel development.

In many voestalpine companies, a works council represents employees' interests. Local works councils are superseded by a European Works Council and a Group Works Council, both of which maintain a good dialogue with management.

4.1.2 CUSTOMERS AND SUPPLIERS

voestalpine's relationships with all of its business partners are very open and close knit. These frequently long-term relationships with customers and suppliers provide the basis for trusting and transparent cooperation. Together with these partners, voestalpine develops processes and products that satisfy the requirements of all parties involved and ensure low-impact utilization of resources.

Issues of sustainability are increasingly moving to the center of our communications with customers and suppliers. Besides conventional supply chain management issues such as

quality, costs, availability, and delivery dates, increasingly the conversations are also focused on climate protection, energy and resource efficiency, or compliance with labor and human rights in production.

voestalpine's Code of Conduct is binding on all of the company's suppliers and business partners and forms part of its terms and conditions. Furthermore, technical visits and viewings of the production facilities are conducted on a regular basis. For more information on this issue, see the chapter, "Transparency in the Supply Chain," that starts on page 42.

4.1.3 ANALYSTS AND INVESTORS

Institutional investors and analysts are a key stakeholder group because voestalpine is a listed company. The members of the company's Management Board and the managers of its Investor Relations department use investor conferences and roadshows as well as personal visits to stay in close contact with its shareholder representatives and investors and discuss current issues and market conditions. As regards sustainability, climate-relevant emissions are among the key topics that are addressed with analysts and investors alike. How to represent

the Group's CO₂ emissions and the options for reducing them—also taking into account the resulting negative impact on costs—are particularly important.

At regular intervals, voestalpine holds so-called "Capital Markets Days," i.e., special investor events at which trends and developments related to a high-priority issue in the Group are presented.

4.1.4 RESEARCH INSTITUTES AND UNIVERSITIES

voestalpine's collaboration with both universities and unaffiliated research institutes is indispensable and boosts the Group's research and development work. The company supports outstanding dissertations, master's theses, and research projects. It also endows professorships that can generate knowledge relevant to its core business and contribute new insights.

Members of the company's Management Board personally introduce and represent the Group during special student events at institutions such as the University of Mining and Metallurgy in Leoben, Austria. They answer questions from the students who, in their capacity as potential future employees, are considered an important stakeholder group.

4.1.5 NGOS, SPECIAL INTEREST GROUPS, AND PLATFORMS

Representatives of voestalpine belong to various working groups and committees of special interest groups and platforms such as the European Steel Association (EUROFER), world-steel, the Austrian Society for Metallurgy and Materials (ASMET), or the European Steel Technology Platform (ESTEP). They also contribute voestalpine's knowledge of and opinions on a wide variety of issues during consultations at the EU level.

voestalpine has been a member of "Responsible-Steel," a not-for-profit organization that focu-

ses on the sustainable production of steel and the sustainable procurement of raw and other materials, since April 2019 and actively engages in the ongoing development of the standard on which these policy initiatives are based.

The company also maintains good communications with non-governmental organizations (NGOs), engaging in intensive and constructive exchanges of opinion with several NGOs particularly on energy and climate policies as well as other environmental topics.

4.2 CORPORATE RESPONSIBILITY MANAGEMENT

The Corporate Responsibility Steering Committee and the CR Manager are largely tasked with Corporate Responsibility Management (CRM), the identification of topics relevant to CR as well as assessments regarding their significance to voestalpine.

In its function as a management unit, Corporate Responsibility is a part of Investor Relations. The CR Manager is responsible for coordinating within voestalpine and represents the company at numerous events and initiatives related to corporate responsibility and sustainability.

The Corporate Responsibility Steering Committee is chaired by the company's CEO. It comprises the heads of the Group departments Compliance, Legal, Environment, Research, Communications, Human Resources, health & safety, Investor Relations, Procurement and Raw Materials Procurement as well as International Business Relations.

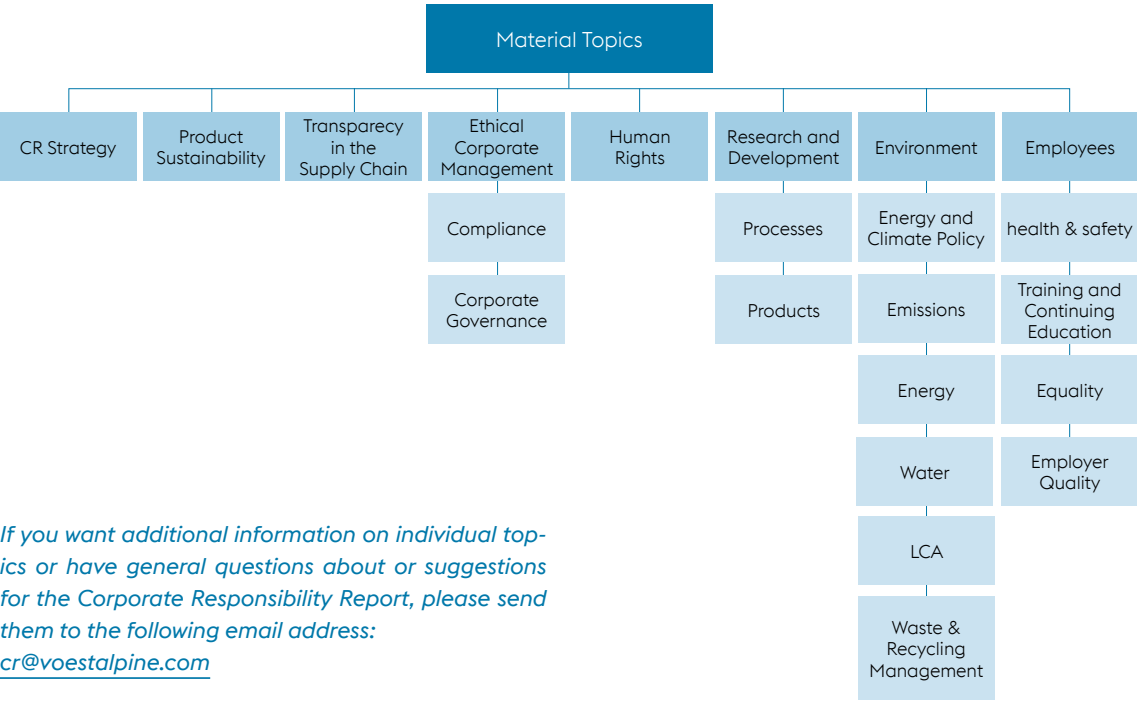
This corporate body discusses issues that stakeholders bring to the attention of voestalpine or that are becoming increasingly important in the ongoing sustainability debate. These discussions involve exploring the ramifications of voestalpine's activities in connection with such topics and adopting measures as necessary to mitigate any adverse effects.

4.3 MATERIAL TOPICS

voestalpine uses its ongoing communications with internal and external stakeholder groups to identify those topics that are key to Corporate Responsibility Management and the relevant reporting.

A list of the topics considered most important by the stakeholders is drawn up prior to the preparation of the annual CR Report and supplemented by those topics that have been identified as part of the company's work in relevant bodies, through analyses of trade publications, and based on a benchmark analysis of select competitors, suppliers, and customers.

In a next analytic step undertaken by the Corporate Responsibility Steering Committee and the CR Manager, all topics in regard to which voestalpine's business activities actually or potentially trigger positive or negative effects are classified as material. Information on voestalpine's approach and performance with respect to all material topics is published in the CR Report. The following topics were identified as central to the present Report:

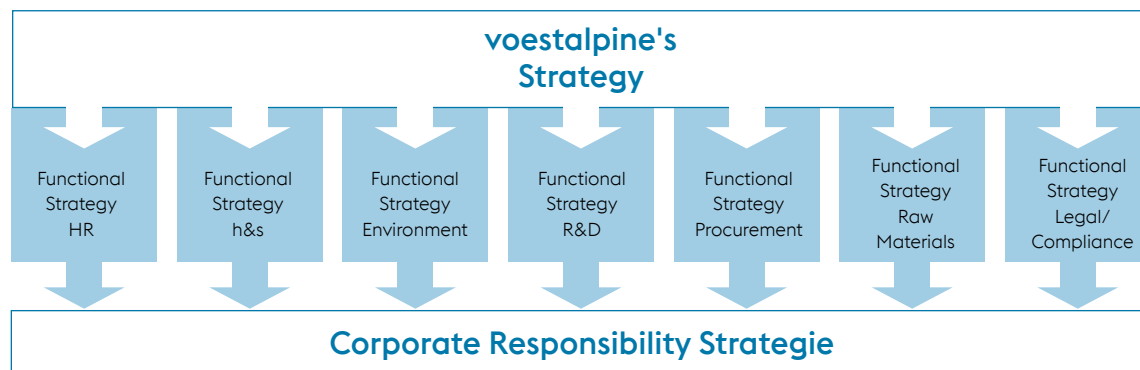


responsibility

5. THE CORPORATE RESPONSIBILITY STRATEGY

The concept of sustainability is one of the basic principles that guide all decisions and actions at voestalpine. The fundamentals of this approach are set forth in voestalpine's Corporate Responsibility Strategy (CR Strategy). It is an integral part of the Group's corporate strategy and follows directly from voestalpine's functional strategies.

In addition to the functional strategies, a number of key internal and external factors had to be considered in the CR Strategy, for example, employee and customer concerns, environmental issues, products and innovations as well as the demands of maintaining a transparent supply chain.



The Sustainable Development Goals (SDGs) were considered in the development of the CR Strategy presented in the following sections.

The appropriate symbols at the end of each section indicate to which of the 17 SDGs voestalpine makes a contribution via the CR Strategy's individual fields of action.

5.1 HUMAN RESOURCES

Corporate Culture

We create a respectful corporate culture in which we expect and encourage trust, diversity, self-determination, and personal responsibility. voestalpine's culture, as a symbol of our Group-wide identity, is continually refined along these lines.

Diversity

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

Training and Continuing Education

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



5.2 health & safety

Human safety and health are key fundamental values at voestalpine and have the highest priority.

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

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



5.3 THE ENVIRONMENT

Emissions in the Air, Soil, and Water: Minimize Using the Best Available Technologies

Process-related emissions cannot be entirely avoided because existent production processes have certain chemical and physical properties. We operate our production facilities pursuant to the principle that the best available technologies must be applied as appropriate and in economically viable fashion. We also develop new approaches that aim to both minimize environmentally relevant effects on the air, soil, and water as best as possible and optimize the use of resources.

Circular Economy & Life Cycle Assessment (LCA)

We support holistic, comprehensive, and integrated analyses and assessments of materials (life cycle assessments, LCAs) as well as of all process and value chains within the parameters of the circular economy, also known as “circularity.”

Energy and Climate Policy

Commitment to low-carbon production: We are meeting the challenge of decarbonizing the economic system in the long term not only through comprehensive research and development of new technologies, which is frequently undertaken via cross-sector cooperation agreements and projects. We also engage in an open and constructive dialogue with stakeholders such as political decision makers, the scientific community, technical colleges and universities as well as environmental organizations.



5.4 RESEARCH AND DEVELOPMENT

We continuously conduct research on innovative products and processes, and develop novel technologies, to ensure that we remain the benchmark for both resource efficiency and environmental standards.

We pursue active know-how management, both internally and externally, and consider this the key to our success. We take on the responsibility of educating and continuing to train our researchers in-house, sharing our knowledge within the Group and exploiting the synergy effects that arise from pooling our expertise.

We place great value in long-term, trusted relationships with our customers and suppliers in the field of research, too, and work closely with both universities and scientific institutions.



5.5 GENERAL PROCUREMENT

When selecting its suppliers, voestalpine ensures that they comply with environmental and social principles. Sustainable supplier management has been integrated into our procurement processes to maintain long-term partnerships.

voestalpine ensures that those of its employees who work in purchasing receive ongoing training through information events such as the “Purchasing Power Day” as well as the three-stage “Purchasing Power Academy,” which the company itself developed.

The procurement process is continuously optimized in order to ensure Compliance. The Code of Conduct forms the basis of business actions and decisions in this respect.



5.6 RAW MATERIALS PROCUREMENT

Applying life cycle approaches (“closed loop”) together with our customers guarantees that we will achieve the highest levels of efficiency in the process of recycling our raw and reusable materials.

We face the challenge of permanently optimizing our supply chains jointly with our suppliers. Regular visits to the sources of raw materials and pre-materials, especially mines and deposits, are a fixed element of this process. Together, we develop methods for designing a supply chain that is efficient and meets our corporate responsibility guidelines (CR Guidelines). New suppliers are assessed in terms of Corporate Responsibility, quality, and performance; depending on the outcome of the evaluation, are included in our portfolio of suppliers. The Sustainable Supply Chain Management (SSCM) project was used to screen our raw material supply chains from the bottom up, examining key factors pertaining to Corporate Responsibility. voestalpine ensures that absolutely all of its raw materials are subjected to this process, thus minimizing risk over the long term.

We require all suppliers from whom we source materials and who are subject to the Dodd-Frank Act to act in accordance with the latter’s provisions. Reports based on the Conflict Minerals Reporting Template (CMRT) ensure that all materials procured on behalf of the Group are “conflict free.”

Raw materials procurement management is tasked primarily with securing the long-term, competitive supply of both raw materials and energy. High degrees of integration into upstream and downstream processes, scenario planning, and adaptive supply concepts serve to minimize potential risks.



5.7 ETHICAL CORPORATE MANAGEMENT – LEGAL & COMPLIANCE

Ethical Corporate Management

In order to ensure that responsible management and control of the Group serve to create sustainable value in the long term, the Group's Management Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Corporate Governance Code.

Compliance

We commit to complying with all laws in all of the countries in which voestalpine operates. We believe, furthermore, that Compliance is the expression of a culture rooted in ethical and moral principles.

Human Rights

We commit to upholding human rights in accordance with the UN Charter and the European Convention on Human Rights, and we support the UN Global Compact (UNGC).



In the course of the business year 2020/21, the strategy departments of the holding company and the Group's divisions as well as the directors of relevant departments will refine the Group's CR Strategy in close coordination with the Management Board of voestalpine AG and rename it "Sustainability Strategy."

RESPONSABILITY



SPANISH

6. PRODUCT SUSTAINABILITY

Comprehensive analyses of products regarding their environmental, economic, and social effects over their entire useful lives are becoming ever more important—not just from customers' viewpoint, but also at the political and legislative level.

In particular, this is indicated by the EU Commission's "Green Deal," which assigns great importance to the EU's long-term industrial greening (i.e., ecologization) strategy. It is in this sense that the EU's Circular Economy Package aims to boost both resource and energy efficiency.

Steel is a multifaceted and environmentally friendly material with a long useful life that can be repaired, reused and, in the final analysis, endlessly recycled. Hence steel products are key to turning societies into circular economies, specifically, by developing and creating closed-loop substance, materials, and value added chains to boost resource and energy efficiency.

voestalpine makes robust and comparable information available to facilitate comprehensive assessments of the sustainability of its products. Life cycle assessments (LCAs) provide a key methodology for doing so. A life cycle assessment entails determining a given product's environmental effect, taking all phases of its value chain into account: from the extraction of the raw material and the provision of energy, to its production and downstream processing, all the way to its consumption and utilization up to the end of its useful life.

The question of product sustainability concerns analyses of the three pillars of sustainability—environmental as well as social and economic factors—along the entire supply and value chain, even though the main focus currently is on the determination and assessment of ecological issues.

Environmental Product Declarations (EPDs) play an important role in communicating products' environmental effects based on their life cycle assessments. voestalpine has published EPDs for a number of products such as colofer®, hot-dip galvanized strip steel, electrical steel strip, heavy plate, roll-bonded clad heavy plate, and rails. The EPDs are based on two standards (EN 15804 and ISO 14025), were verified by independent auditors, and have been published in the declarations program of the German "Institut Bauen und Umwelt" (IBU), an association of building product manufacturers.

As regards the decarbonization of steelmaking and the sustainability of its products, voestalpine is in regular contact with various stakeholders. These dialogues serve to obtain key information on customers' and other stakeholders' requirements and views. In turn, this process gives voestalpine the opportunity to communicate its progress, projects, and limits.

In addition, the voestalpine Group participates in cross-sectoral policy initiatives such as "ResponsibleSteel" and publishes its performance via external assessments such as the Carbon Disclosure Project (CDP) in ways that make it transparent to the public as well. voestalpine achieved "leadership" status in the CDP's 2019 Climate Change assessment and was included in the CDP's "global leaderboard" supplier engagement rating.

voestalpine uses a comprehensive methodology to determine the Group's water footprint and publishes the data with CDP among others.

7. CLIMATE PROTECTION

Climate protection (also referred to as climate change mitigation) and decarbonization are a major challenge to the development of both processes and products in energy-intensive sectors such as the steel industry. Ambitious political frameworks are being put in place by the “European Green Deal” and the climate protection program of the Austrian federal government. voestalpine works intensively on research and development projects related to technologies that enable largely CO₂-free production of products and materials having the same high quality.

7.1 THE POLITICAL FRAMEWORK

The next UN Climate Change Conference (COP26) was postponed to November 2021 on account of the Covid-19 pandemic. This means that material aspects of the 2015 UN Paris Agreement have still not been implemented fully five years after the accord was reached; in particular, this concerns a climate change mitigation framework that is largely uniform, comparable, and fair across the globe. At the European and national level, however, increasingly ambitious political targets are being set with respect to decarbonization, in turn putting strong pressure on energy-intensive industries to act.

Within the European Union, the focus is on the Green Deal that the EU Commission launched in November 2019: It is designed to make Europe the first climate-neutral continent. This goal arises mainly from the obligation under the Paris Agreement to achieve reductions between 80% and 95% in greenhouse gas emissions by 2050. It is now to be implemented through a number of legislative measures. The Green Deal aims to align all issues related to the ori-

enting of the economic and social system toward sustainability and coordinate them under an overarching European concept. This integrated approach is generally positive and also accords with voestalpine's long-held view. Realistically speaking, however, it may be very challenging at the political level to implement these goals in the current economic environment.

At the time the present CR Report was prepared, the European Commission had already submitted proposals regarding EU-wide climate legislation with far-reaching powers over the design and implementation of energy and climate plans at the national level, for one, and a long-term industrial strategy aimed at sustainability, for another. Actions that will be significant in both the short and the medium term are to be announced in the near future. For example, a marked tightening of the 2030 reduction goal for CO₂ emissions is currently under discussion. This is important because it will provide the framework for all elements of the EU's energy and climate policies.

SÖRÜMLÜLÜK



TURKISH

Sectors such as the steel industry that are governed by the EU Emissions Trading System (EU ETS) already are obliged to reduce emissions by 43% compared with 2005 (onset of the emissions trading system). This will raise a major question: How will target increases be considered in the so-called “effort sharing”—i.e., the distribution of the burden via proportionate CO₂ reductions in ETS-governed sectors and others such as traffic or buildings?

While emissions trading at the European level is subject to binding targets and measures, in other respects the EU only provides a general roadmap that individual member states are free to interpret as their ambition dictates. Besides the regulations on effort sharing, this also includes regulations regarding state aid, energy taxes as well as energy and emissions trading. In order to better align national policies with the European Union’s target achievement, the EU Commission thus plans to review absolutely all relevant climate and energy requirements by 2021 and to draw up proposals for revising and implementing them in the individual member states.

Finding a consistent and durable solution—at the political level and in accord with World Trade Organization (WTO) requirements—with respect to the previously evident competitive distortions and the resulting flood of imports into Europe of steel products manufactured with limited consideration of sustainability issues will be decisive to the ecologically-minded reconstruction of the economic system following the Covid-19 pandemic in Europe.

Above and beyond an industrial and hydrogen strategy, the German federal government has adopted a steel action plan (*Handlungskonzept Stahl*) which, on a very concrete level, concerns measures to support the steel industry during the transition to climate-friendly production and to create markets for “green steel.” In Austria, the federal government that took office in January 2020 has presented a program for the legislative period through 2024 that is very ambitious with respect to climate change mitigation; its aim to achieve climate neutrality no later than by 2040 substantially surpasses the goals of both the global climate pact and the European Union. However, the entire legislative framework required to this end—e.g., expansion of renewable energy, energy efficiency, hydrogen strategy—has not yet been put in place.

Both at the level of the EU and nationally, voestalpine is in constant talks, directly and via industry associations, with political decision makers, the scientific community, environmental organizations, and industrial partners. voestalpine’s basic position remains unchanged: The decarbonization strategies that the Group has developed must be viable not just technologically but also economically. This requires specific support in connection with the transformation’s additional costs (related to both investments and operations), which could be accomplished, for example, by directing earmarked funds back to the companies for climate mitigation investments under the EU ETS as well as by making green energy available and less expensive than it is today.

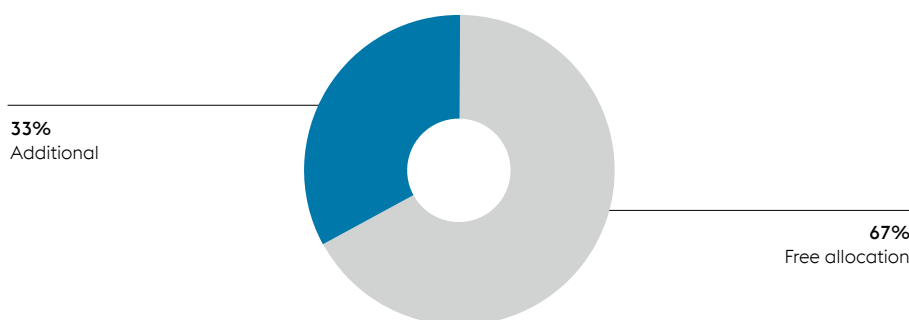
7.2 EU EMISSIONS TRADING

The EU's emissions trading system comprises some 11,000 energy-intensive plants, primarily in the power generation and processing industries. These companies must purchase allowances for every ton of carbon dioxide they emit. A fixed number of free allowances is allocated to particular sectors that are exposed to the risk of production being moved elsewhere ("carbon leakage") because of internationally divergent climate protection standards. Just as in pre-

vious years on average, the voestalpine Group's need to purchase additional allowances (difference between the total allowances needed less allocation of free allowances) in the business year 2019/20 equated to roughly one third of its total CO₂ emissions of 13.6 million tons. It is expected from today's vantage point that the need for additional allowances during the coming emissions trading period that runs from 2021 to 2030 will reach a similar scale.

EMISSION TRADING ALLOWANCES: FORECAST FOR voestalpine

Number of additional allowances to be purchased, 2021–2030 trading period: approx. 45 million



However, the emissions trading directive gives the EU Commission the option of periodically or even continuously intervening in the system by modifying key parameters that concern the total number of allocations and hence the pricing.

Following the massive increase in the price of CO₂ allowances in the past two business years, most recently developments remained very volatile despite the temporary decrease in prices. This was due mainly to the general economic downturn that started at the end of the first quarter of the calendar year 2020 on

account of the Covid-19 pandemic. Long-term pricing forecasts are subject to very large fluctuations, given the uncertainties about the system in and of itself (especially, potential interventions and discussions about a tightening of the 2030 goals), the actual shape of the Green Deal, and future macroeconomic developments. The voestalpine Group regularly assesses price developments and forecasts with an eye toward risk management so that it can adjust its procurement strategy for CO₂ allowances as necessary in the event of major changes.

7.3 DECARBONIZATION: voestalpine's APPROACH TO TRANSFORMATION

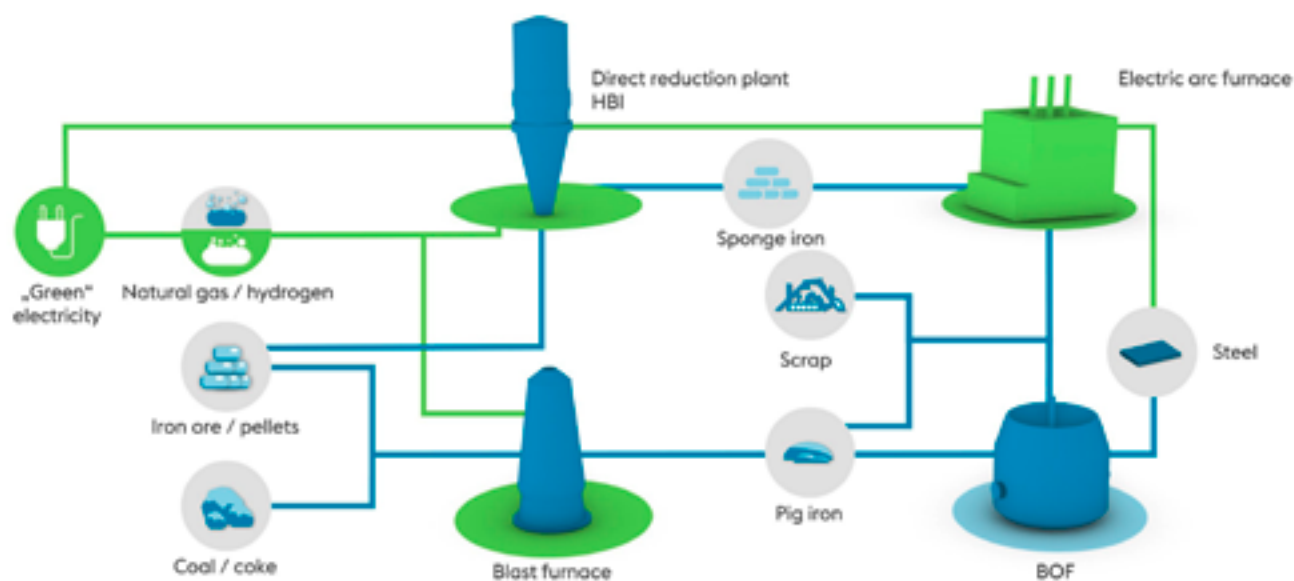
voestalpine is committed to the 2015 Paris Agreement's goal to bring about a more than 80% reduction in greenhouse gas emissions by the middle of this century and pursues a consistent and long-term decarbonization strategy to this end.

Its extensive research and development programs—e.g., the EU's flagship H2FUTURE project, which was started up in 2019, runs until 2021, and aims to generate green hydrogen on an industrial scale—are designed to enable the transformation from coal-based to hydrogen-based steelmaking in the long term.

voestalpine has also been exploring concrete interim steps. For instance, a hybrid approach that involves switching incrementally from the blast furnace route based on coal to the electric steel route based on green electricity is being explored both economically and technically. It would make it possible from 2030 to lower the CO₂ emissions resulting from the Group's steel plants in Linz and Donawitz by about one third. The technological challenge lies in ensuring that product quality stays the same. An additional three terawatt hours of electricity from renewable sources would be required for this approach, in turn making it necessary to expand the network accordingly.

HYBRID STEEL PLANT BY 2030/35

Using HBI as a high-quality pre-material

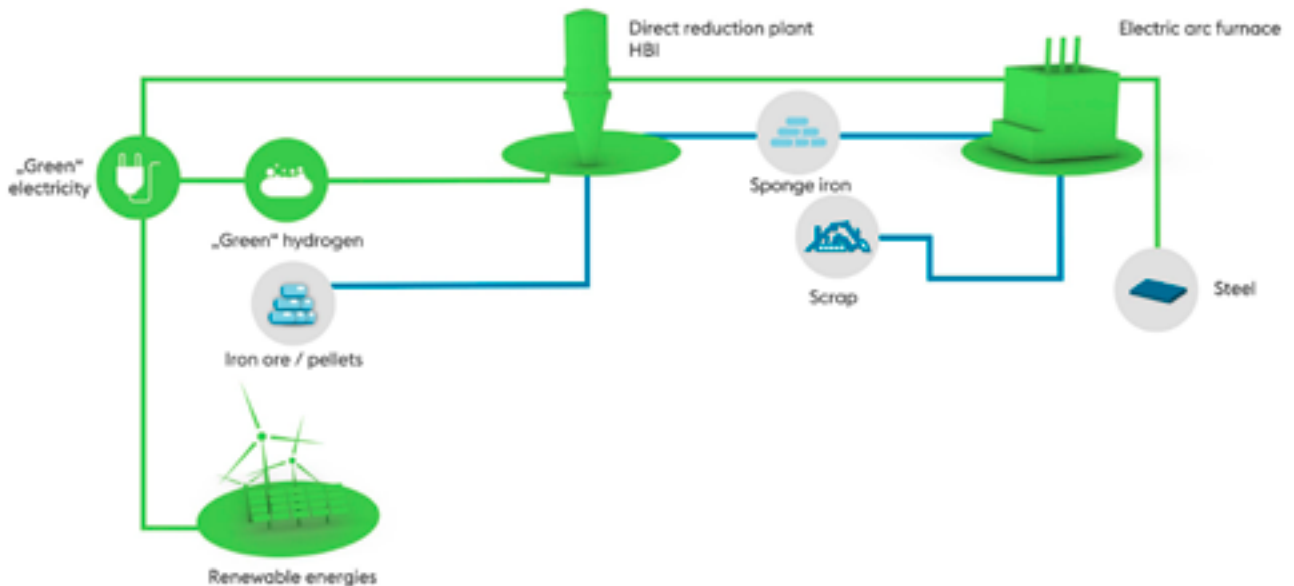


Besides pig iron and scrap, the hybrid approach also involves using hot briquetted iron (HBI) as a sophisticated pre-material, which voestalpine is already manufacturing at its direct reduction plant in Texas, USA. This raw materials mix contains a greater proportion of HBI and thus

represents a major innovation in this approach. In the long term, the aim is to produce the same steel grades as they are available today using “green” HBI based on hydrogen in lieu of natural gas as well as based on scrap.

BREAKTHROUGH TECHNOLOGY

> 80% reduction in CO₂ by 2050



This transformation presupposes both the availability of electricity from renewable sources and its financial feasibility. In the final analysis, the broad-based implementation of CO₂-minimized technologies will depend on the degree to which they can be deployed competitively at the global level also. However, the political framework for and thus the economic feasibility of this approach have not yet been established.

Concurrently with the long-term development of the novel hydrogen metallurgy, which is still in the development phase, voestalpine also pursues research and development projects involving the hydrogen-based reduction of ores and the direct production of crude steel using hydrogen plasma.

Furthermore, voestalpine participates intensively in cross-sector projects that deal with the economic and technological viability of carbon capture and usage (CCU), i.e., the separation and conversion of carbon dioxide into raw materials for the chemical and petrochemical industries.

INNOVATIVE PROJECTS AIMED AT DECARBONIZATION IN THE LONG TERM

The EU's flagship H2FUTURE project concerns the generation and feasibility of green hydrogen—i.e., hydrogen that has been produced using renewable energy—using so-called proton exchange membrane (PEM) electrolyte technology on a major industrial scale.

By contrast to conventional approaches to the reforming of natural gas, the splitting of water into hydrogen and oxygen does not generate any CO₂.

The H2FUTURE project consortium is a joint venture of six partners in Austria, Germany, and the Netherlands: VERBUND (Austria's largest electricity provider) as the coordinator and provider of electricity; voestalpine as the operator; Siemens as the provider of technology; the Austrian Power Grid (APG) as the operator of the transmission network; and both K1-MET and the Energy Research Centre of the Netherlands (ECN-TNO) as scientific partners. The EU is supporting this demonstration project as part of the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) by covering 70% of the total funding volume of some EUR 18 million, because the findings are to be made applicable to other energy-intensive sectors that could utilize hydrogen in the long term as well.

The pilot plant was successfully started up at the end of 2019 and will now test the application scenarios set forth in the project order by 2021.

Moreover, voestalpine also participates in "Clean Steel" among other ventures, a public/private partnership model that is being funded through EU research grants and participating companies' own investments. The purpose of this project is to research low-carbon steelmaking technologies on an industrial scale. Both the specific modalities and the project selection are currently being worked out.

8. TRANSPARENCY IN THE SUPPLY CHAIN

voestalpine sources the most diverse range of materials, products, and services from a large number of suppliers. As part of the company's supply chain management, data on the social and environmental effects and risks of suppliers' activities are systematically collected, evaluated, and integrated into the development of supplier relationships. The company's Corporate Responsibility Strategy concerns both general procurement and raw materials procurement.

General Procurement

When selecting its suppliers, voestalpine ensures that they comply with environmental and social principles. Sustainable supplier management has been integrated into the company's procurement processes to maintain long-term partnerships.

voestalpine ensures that those of its employees who work in purchasing receive ongoing training through information events such as the "Purchasing Power Day" as well as the three-stage "Purchasing Power Academy," which the company itself developed.

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



RIES PONSA BILITE

Raw Materials Procurement

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

We face the challenge of permanently optimizing our supply chains jointly with our suppliers. Regular visits to the sources of raw materials and pre-materials, especially mines and deposits, are a fixed element of this process. Together, we develop methods for designing a supply chain that is efficient and meets our corporate responsibility guidelines (CR Guidelines). New suppliers are assessed in terms of Corporate Responsibility, quality, and performance first; depending on the outcome of the evaluation, they are then included in our portfolio of suppliers. The Sustainable Supply Chain Management (SSCM) project was used to screen our raw material supply chains from the bottom up, examining key factors pertaining to Corporate Responsibility. voestalpine ensures that absolutely all of its raw materials are subjected to this process, thus minimizing risk over the long term.

We require all suppliers who are subject to the Dodd-Frank Act and from whom we source materials to comply with the law's provisions. We ensure based on reports using the Conflict Materials Reporting Template (CMRT) that all materials procured on behalf of the Group are “conflict free.”

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



8.1 SUPPLY CHAIN MANAGEMENT

AT voestalpine

Risk management, the Code of Conduct as an integral part of the delivery terms and conditions, the Sustainable Supply Chain Management project, and the Corporate Social Responsibility (CSR) Checklist of voluntary disclosures on the part of suppliers are the pillars of the supply chain management system that voestalpine has been implementing consistently for years.

The Steel Division has already completed the SSCM supply chain project based on analyses of source countries, suppliers, and mining conditions related to the raw materials in question. During the reporting period, this process was applied for the first time to the supply chain of the High Performance Metals Division as well. Here, too, the materials

utilized were reviewed as to criteria relevant to sustainability, and the findings were entered into a matrix. In a next step, the CSR Checklist is sent to suppliers who are asked to provide voluntary disclosures on their own CR activities. Finally, both the findings of the analyses and potential improvements are discussed with the suppliers in personal meetings.

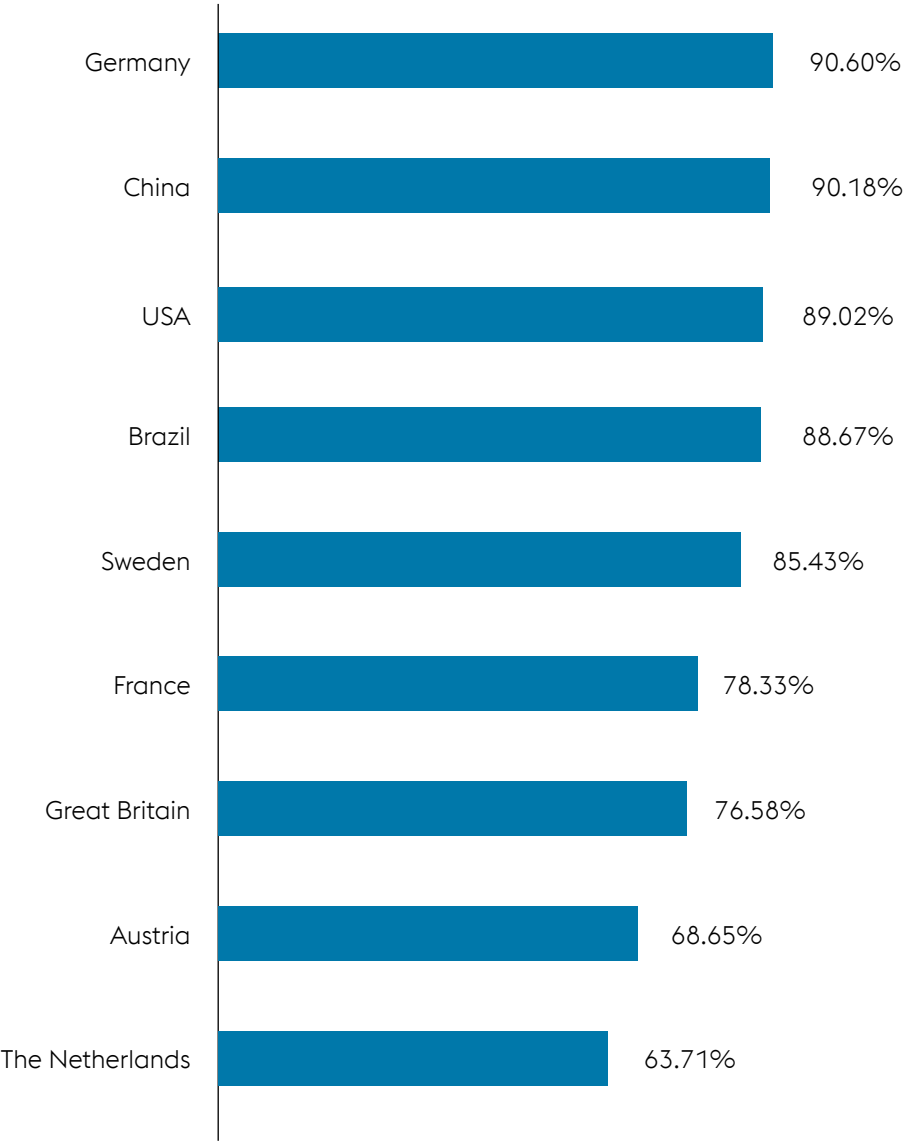
The SSCM project considers the following criteria in reviews of raw materials, source countries, and suppliers:



8.2 LOCAL SUPPLIERS

Wherever possible and meaningful, voestalpine companies make their purchases regionally, i.e., from suppliers in the vicinity of their facilities. The following graph shows the respective percentages of regional suppliers. Suppliers are considered local if their business is domiciled in the same country as the voestalpine company they supply.

LOCAL SUPPLIERS



8.3 SUPPLIER ASSESSMENT

Companies chosen to supply raw materials to the voestalpine Group are selected systematically on the basis of personal meetings, a standardized questionnaire, and a quality assessment of the materials. The raw materials suppliers are evaluated once a year and subsequently rated as A, B, or C suppliers. Depending on the category of raw materials, different parameters are used to this end, for

instance, environmental management, innovation, quality management, or even flexibility and ability to stick to deadlines. Suppliers that achieve an A or B rating are given preference in the procurement process. Corrective measures are jointly defined with B and C suppliers and set forth in writing; they must be implemented within one year.

8.4 SUPPLY CHAIN TRANSPARENCY IN ADVOCACY ORGANIZATIONS AND ASSOCIATIONS

Reviewing supply chains as to violations of laws and standards is becoming increasingly important not just for individual companies but also for entire sectors. Hence steel industry advocacy organizations and associations are also addressing this issue. voestalpine has been a member of ResponsibleSteel, an advocacy organization, since April 2019 and has participated in

its work to develop certification standards for facilities and products. At worldsteel (the World Steel Association), several working groups are addressing supply chain issues. Representatives of voestalpine are actively engaged in this work also, contributing their own supply chain management experience.

9. ETHICAL CORPORATE MANAGEMENT

Ethical corporate management means accountable corporate governance of the Group that is geared to creating sustainable value in the long term and to ensuring that the conduct of all Group employees complies with statutory requirements and internal guidelines as well as fundamental moral and ethical values (Compliance).

Ethical Corporate Management

In order to ensure that accountable management and control of the Group serve to create sustainable value in the long term, the Group's Management Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Corporate Governance Code.

Compliance

We commit to complying with all laws in all of the countries in which voestalpine operates. We believe, furthermore, that Compliance is the expression of a culture rooted in ethical and moral principles.

Human Rights

We commit to upholding human rights in accordance with the UN Charter and the European Convention on Human Rights, and we support the UN Global Compact (UNGC).



9.1 COMPLIANCE

voestalpine requires its companies and all of its employees to comply with all laws in all of the countries in which it operates. For voestalpine, however, Compliance means more than just acting legally and in accordance with other external requirements. It is the expression of a culture that is also rooted in ethical and moral principles. The principles of this corporate culture as it relates to the treatment of

customers, suppliers, other business partners, and employees are spelled out in the voestalpine Code of Conduct.

Likewise, voestalpine requires its suppliers as well to comply, without limitation, with all applicable laws in the respective country and, in particular, to respect and uphold human rights as fundamental values.

ОТВЕТ СТВЕН НОСТЬ

9.1.1 THE CODE OF CONDUCT

The voestalpine Code of Conduct was enshrined in writing in 2009. It is the result of numerous conversations and discussions at the level of the Management Board, the managing directors, and the department heads of the voestalpine Group. It is based on the Group's corporate values and provides the basis for ethically and legally sound conduct on the part of all of the Group's employees. The Code of Conduct was revised in the business year 2019/20 to integrate all those of the voestalpine Group's values and behavioral rules that had not yet been included in it as principles. It was published in German and twenty additional languages and may be downloaded from the Internet:

<https://www.voestalpine.com/group/en/group/compliance/code-of-conduct-of-voestalpine/>

The Code of Conduct covers the following areas:

- >> Compliance with laws and other external and internal requirements
- >> Human rights, respect, and integrity
- >> Fair competition
 - > Competition and antitrust law
 - > Corruption, bribery, acceptance of gifts
- >> Donations and sponsorships
- >> Trade wars and conflict minerals
- >> Money laundering
- >> Conflicts of interest
- >> Data privacy and protection
- >> Protection of information and intellectual property
 - > Secrecy of confidential information
 - > Intellectual property
- >> Protection of corporate property and IT usage
- >> Workplace protections
- >> Environmental and climate protection
- >> Prohibition of abuses of insider information
- >> Corporate communications
- >> Reporting of misconduct

The Code of Conduct applies to all members of the management boards, the managing directors, and the non-executive employees of all entities in which voestalpine AG has a direct or indirect interest of at least 50% or which it controls in some other way. As regards all other companies in which voestalpine AG has a direct or indirect stake of at least 25% but does not control them, the Code of Conduct is brought to their attention with the request that they enforce it by having their corporate decision-making bodies recognize it of their own volition.

Every employee must reckon with disciplinary consequences if they violate statutory provisions, internal guidelines, regulations, and instructions, or the provisions of voestalpine's Code of Conduct. Moreover, violations may also have consequences under criminal and/or civil law, e.g., claims to compensation and claims for damages.

voestalpine aims to have the Code of Conduct apply throughout its sphere of influence. Suppliers and consultants are required to comply with the Code of Conduct for Business Partners. Additionally, Group companies are urged to bring the Code of Conduct to the attention of their customers and to strongly encourage them to commit to compliance therewith. All of voestalpine's business partners are also requested to reasonably promote adherence to the Code of Conduct among their own business partners along the supply chain.

voestalpine AG has adopted several Group guidelines that serve as a helpful tool for employees in applying the Code of Conduct. The Compliance rules and regulations associated with the voestalpine Code of Conduct currently comprise the following:

Business Conduct

These guidelines supplement and flesh out the Code of Conduct with respect to issues of corruption, bribery, acceptance of gifts, and conflicts of interest. For example, they regulate the permissibility of gifts, invitations, and other benefits; donations and sponsoring; secondary employment as well as the private purchase of goods and services by voestalpine employees from customers and suppliers. The section entitled Business Conduct also addresses the prohibition of political contributions. The voestalpine Group does not allow donations to politicians, political parties, organizations affiliated with political parties, or political front organizations. This does not apply to political front organizations that are devoted solely to social issues and have been individually approved by the Management Board of voestalpine AG.

Dealings with Brokers and Consultants

This guideline contains additional supplemental information on issues of corruption, bribery, and the acceptance of gifts. It defines the procedure to be complied with before sales representatives, agents, and other marketing consultants are engaged. An objective analysis of business partners' environment and scope of activities before establishing business relationships with them serves to ensure that the business partners also comply with both applicable law and the voestalpine Code of Conduct.

Antitrust Law

This guideline describes the prohibition of agreements restricting competition; provides rules for dealings and interactions with associations, professional associations, or other industry organizations; and defines concrete rules of conduct for all employees of the voestalpine Group. Additionally, manuals have been developed with respect to issues of information sharing and benchmarking, procurement alliances, and supplier relationships with competitors; they provide employees with information on these topics from an antitrust perspective.

Compliance Manual & Prevention Program

These rules and regulations provide information on the Group's Compliance strategy; the Compliance structure; measures aimed at preventing, identifying, and responding to violations; sanctions; as well as the Web-based whistleblower system that also offers the option of reporting Compliance violations anonymously.

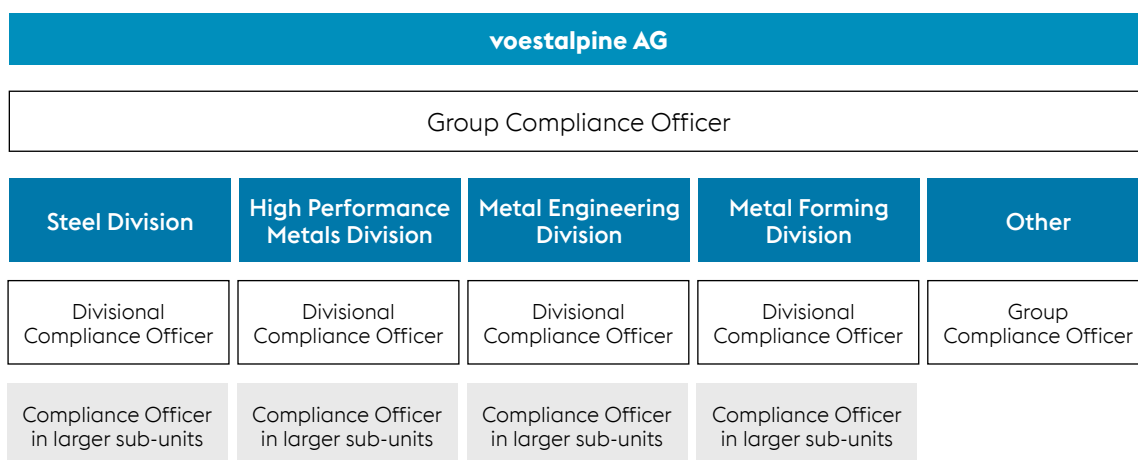
Code of Conduct for voestalpine's Business Partners

The rules and regulations that are directed toward suppliers of goods and services as well as toward brokers, consultants, and other business partners define the principles and requirements for doing business with voestalpine. Among other things, voestalpine requires its business partners to respect and comply with human rights as fundamental values in accordance with the European Convention on Human Rights and the UN Charter. In particular, this applies to the prohibition of child and forced labor; the prohibition of human trafficking in any way, shape, or form; the equal treatment of employees; and the right to employee representation and collective bargaining.

9.1.2 COMPLIANCE SYSTEM

Responsibility for adherence to Compliance regulations rests with the respective management. A Compliance system was established in the voestalpine Group in the business year 2011/12 to help management fulfill its responsibility and to set up the processes required to this end.

Aside from a Group Compliance Officer, a Divisional Compliance Officer was appointed for each division; additional Compliance officers were appointed in certain divisional sub-units. The Group Compliance Officer reports directly to the Chairman of the Management Board and is not bound by instructions. The Divisional Compliance Officers report to both the Group Compliance Officer and the respective division heads.



Compliance officers are responsible for the following areas:

- >> Antitrust law
- >> Corruption
- >> Compliance with capital market regulations
- >> Fraud (internal cases of theft, fraud, misappropriation, or embezzlement)
- >> Conflicts of interest
- >> Special topics assigned to the Compliance system by the Management Board of voestalpine AG (e.g., in connection with issues related to UN or EU sanctions)

All other Compliance issues—e.g., environmental law, taxes, accounting, labor law, protection of employees or data—are not part of the Compliance officers' sphere of responsibility. These Compliance issues are handled by the respective departments.

9.1.3 PREVENTIVE MEASURES

As part of its Compliance activities, voestalpine places particular importance on preventive measures including, in particular, education and training, discussions with management, and communications. As a result, managing directors, sales personnel, and other employees have attended face-to-face training that is aimed at sensitizing them to issues of antitrust law since 2002.

Employees of the voestalpine Group have completed a total of more than 66,400 e-learning courses on the Code of Conduct and antitrust law (including refresher and advanced courses) since e-learning courses were introduced in the voestalpine Group (antitrust law from 2009, Code of Conduct from 2012).

The existent e-learning courses on antitrust law (including an advanced course) and on the Code of Conduct were redesigned and rolled out in the business year 2019/20. In addition to the learning units, the courses also present case studies and require a final test.

The e-learning courses are continually supplemented by face-to-face training tailored to target groups, particularly sales and marketing personnel. This face-to-face training is generally focused on adherence to the law and internal guidelines as well as on corruption and antitrust law as it applies to the participants' respective sphere of activity.

Compliance training is mandatory for young executives: Six to seven training sessions are conducted per year for up to 40 employees each. Face-to-face training on issues of adherence to capital market regulations is also provided to employees of voestalpine AG.

Furthermore, Compliance is a regular topic in Group communications and is addressed repeatedly—including by top management—during major employee events at the level of the Group and the divisions.

KEY E-LEARNING TOPIC: “COMPLIANCE BASICS”

What is Compliance	Compliance at voestalpine	Routine Compliance	Consequences of violations	Case studies and final test
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KEY E-LEARNING TOPIC: “FAIR COMPETITION”

Overview of antitrust law	Legal basics and consequences	Collusion between competitors	Collusion between suppliers and buyers	Case study: Sharing market information	Final test
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KEY E-LEARNING TOPIC: “RECAP”

Collusion between competitors	Abuse of market position	Case study: Pricing policies	Case study: Sales prices
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9.1.4 REPORTING COMPLIANCE VIOLATIONS

Reports of Compliance violations should be made openly for the most part, i.e., divulging the whistleblower's name. Pursuant to the Code of Conduct, such reports may be addressed to the individual's direct supervisor; the appropriate legal or human resources department; the management of the respective Group company; Internal Audit of voestalpine AG; the Group Compliance Officer; or one of the Divisional Compliance Officers. Upon request, whistleblowers are ensured of absolute confidentiality.

Furthermore, an option to anonymously report violations via a web-based whistleblower system has been available since 2012. However, reports using this system may be filed solely with respect to antitrust law, corruption, fraud, and conflicts of interest; put differently, only reports on these issues are processed through this system. The system makes it possible for the appropriate Compliance Officers to communicate with whistleblowers while maintaining absolute anonymity.

9.2 CORPORATE GOVERNANCE

The Management Board and the Supervisory Board of voestalpine AG resolved as early as in 2003 to recognize the Austrian Corporate Governance Code (the "Code"), and they have also implemented all of the amendments introduced in the meantime without exception.

In addition to the mandatory "L rules" (legal requirements), voestalpine AG voluntarily complies with all of the Code's "C rules" (comply or explain) and "R rules" (recommendations). The Code provides Austrian stock corporations with a framework for managing and monitoring their companies. It is based on the provisions of Austrian stock corporation, stock exchange, and capital market law as well as, generally, on the OECD Principles of Corporate Governance.

It was most recently revised in January 2020. The Code achieves validity when companies voluntarily undertake to comply with it. It aims to establish an accountable corporate governance system for companies and Groups that is geared to the creation of sustainable value in the long term. By voluntarily undertaking to abide by the Code, voestalpine supports these objectives and commits to providing a high degree of transparency to all of the company's stakeholders.

Business transactions with associated companies and parties as well as pending legal proceedings are reported in the semi-annual and annual financial statements of voestalpine AG.

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10. HUMAN RIGHTS

voestalpine is committed to respecting and upholding human rights in accordance with the United Nations Charter and the European Convention on Human Rights. Since 2013, voestalpine has supported the UN Global Compact (UNGC) whose ten principles address labor standards, environmental protection, and the fight against corruption above and beyond the promotion of human rights. The present CR Report simultaneously serves as the annual Communication on Progress (CoP) under the UNGC.

The commitment to respecting and upholding human rights is enshrined in detail in the chapter of voestalpine's Code of Conduct entitled

"Respect and Integrity." Human rights are also a key element of the company's binding Code of Conduct for Business Partners.

UN GLOBAL COMPACT— THE 10 PRINCIPLES

HUMAN RIGHTS

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

LABOR STANDARDS

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and bonded labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in employment and occupation.

ENVIRONMENTAL PROTECTION

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

COLLECTIVE BARGAINING AND THE RIGHT TO FREEDOM OF ASSOCIATION

About 80% of voestalpine's employees are in an employment relationship that is governed by a collective agreement. Every employee has the freedom and right to join unions. The workforce in all voestalpine companies may elect representatives to the works councils. The voestalpine Group has both a European Works Council and a Group Works Council, which maintain good communications with management.

CHILD LABOR AND FORCED LABOR

voestalpine is strictly against child, forced, and bonded labor. So far, there has been no known case of such forms of labor in the entire Group. Nor does voestalpine tolerate any form of child, forced, and bonded labor at its suppliers and business partners. As part of the Sustainable Supply Chain Management reviews, voestalpine's suppliers are pointedly audited as to their compliance with human rights, particularly with respect to child, forced, and bonded labor (see page 45).

The Code of Conduct for Business Partners states in this respect: "The Business Partner undertakes to respect and comply with human rights as fundamental values on the basis of the European Convention on Human Rights and the UN Charter. In particular, this applies to the prohibition of child and forced labor, the prohibition of any form of human trafficking, the equal treatment of employees, and the right to employee representation and collective bargaining."

HUMAN TRAFFICKING AND MODERN SLAVERY

Companies of the voestalpine Group that are subject to the UK Modern Slavery Act fulfil the latter's requirements by publishing a statement to that effect. Both the Code of Conduct and the Code of Conduct for Business Partners explicitly mention and expressly prohibit human trafficking and modern slavery.

HUMAN RIGHTS TRAINING FOR SECURITY PERSONNEL

Plant security staff is largely made up of voestalpine's own employees. The Code of Conduct also applies to third-party employees, and the Code of Conduct for Business Partners applies to their employers. Both documents stipulate compliance with human rights. voestalpine itself provides human rights training for its own employees; external security personnel are trained by their own employers.

RIGHTS OF INDIGENOUS PEOPLES

As voestalpine operates solely in developed industrial areas, its business operations do not affect the rights of aboriginal peoples.

TRAINING

An online training program will be developed during the next business year to ensure respect for and compliance with human rights. The program will serve to sensitize all employees whose activities entail greater responsibility for this issue and provide them with important information and instructions on how to act.

11. RESEARCH AND DEVELOPMENT

At its core, voestalpine's sustainable corporate strategy relies on leadership in innovation, technology, and quality. Research and development (R&D) thus is central to the voestalpine business model.

The continuous development of new products and production processes is vital to a technology-driven company such as voestalpine so that it can differentiate itself from the competition and remain successful in the market.

This is how innovations ensure the company's future in the long term.



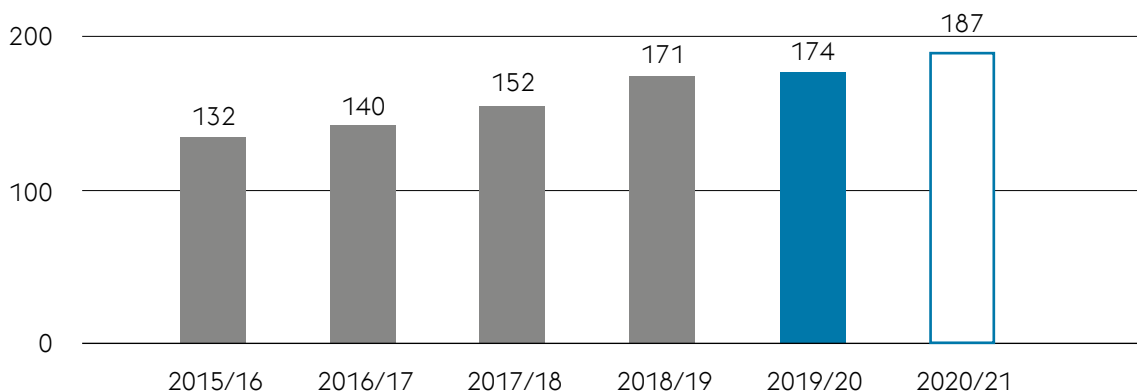
11.1 RESEARCH EXPENDITURES OF THE voestalpine GROUP

Recent years have seen unbroken growth in research expenditures, thus reflecting the importance of R&D to the voestalpine Group. Following an actual expenditure of EUR 174 million

in the business year 2019/20, an increase to EUR 187 million is budgeted for the business year 2020/21.

GROSS R&D EXPENDITURES

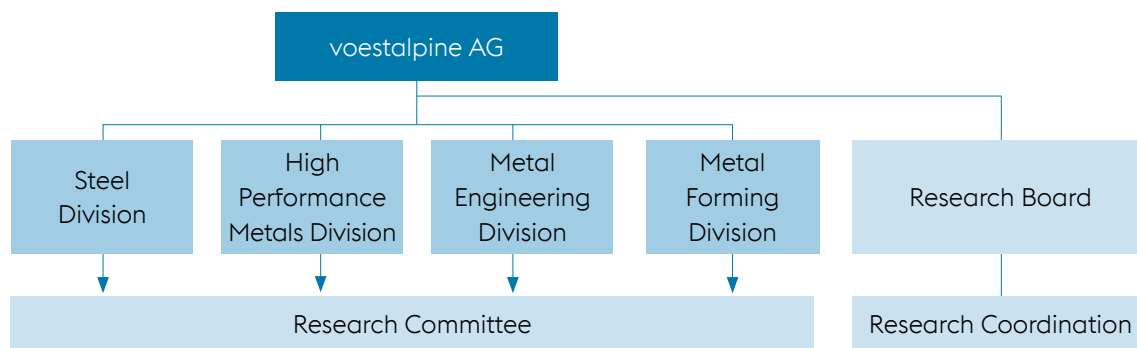
(Excl. R&D capital investments) per business year, in millions of euros



11.2 ORGANIZATION OF RESEARCH AND DEVELOPMENT

Research and development at voestalpine are decentralized and located close to both the respective production facilities and the market. This global network of over 70 sites is controlled by the Research Board and through Research Coordination. Several formats serve to promote knowledge sharing and exploit synergistic potential: The Research Committee is responsible for comparative work regarding the

research programs as well as for helping R&D managers to network; Group projects link the knowledge available in individual divisions; R&D expert clusters offer platforms for researchers to discuss particular topics; and the so-called Synergy Platform (the Group's own annual conference that receives external inputs from internationally renowned experts) also promotes face-to-face meetings and networking.



11.3 RESEARCH AND DEVELOPMENT ON SUSTAINABLE MATERIALS AND APPLICATIONS

As far as development is concerned, voestalpine focuses on pushing the digitalization of its entire value chain, developing innovative approaches for the mobility industry, and enabling CO₂-neutral steel production.

Important R&D activities are aimed at mobility and energy—the two industries that are also voestalpine's biggest earners. At present,

these two technology-intensive sectors are experiencing a sea change toward resource-efficient, sustainable approaches.

Steel as a material has become absolutely indispensable to all of it. It contributes to sustainability in two ways: For one, steel can be recycled in its totality and re-used any number of times.

For another, steel enables lightweight construction in a variety of applications thanks to its product properties.

voestalpine develops high and highest tensile steels, press-hardened steel as well as ultra-high strength high-ductility steel for lightweight construction in the automotive and the commercial vehicle industry. This makes it possible to lower both fuel consumption and emissions in vehicles powered by combustion engines. Additional sustainability effects encompass potentially greater loads in commercial vehicles and thus fewer trips as well as the greater reach of battery-operated vehicles.

The company applies its expertise in the development of highest tensile steels including perfectly matched welding technologies to rail technology also. The development of TransANT, a freight car that weighs about 20% less than conventional freight cars, garnered the Austrian National Prize for Mobility in 2019. This platform wagon is robust and amenable to flexible uses, enables higher loads, and eliminates many train trips as a result.

In the Railway Systems segment, the Group's R&D focus is on continuing to refine the material used for tracks into steel grades resistant to wear and tear, for one, and on digitalizing the turnout systems, for another. In turn, this yields high track system availability, boosts safety, and lowers the consumption of resources and energy.

voestalpine's focus on sustainability even applies to special materials. For example, it developed a new steel alloy for manufacturers of Swiss premium watches that is not just particularly skin friendly and wear resistant, but also is resource-efficient in that it is made of up to 70% recycled steel.

The still young field of metal additive manufacturing enables the production of tools with especially long useful lives and substantially lower scrap rates because this technology makes it possible to perfectly adjust a product to its purpose. voestalpine develops and carries out all relevant process steps itself—from the production of the metal powder, to design and construction, all the way to actual additive manufacturing and finishing.

Batteries of electric vehicles (EVs), whose charge capacity has outlived their original purpose, are used in so-called energy storage farms, where they store electricity from regenerative sources. Hence they help to stabilize the network and balance peak loads. voestalpine supplies high-quality warehouse structures for these energy storage farms that fulfill stringent requirements as to connectivity, stable ambient temperature, and fire protection.

11.4 RESEARCH ON AND DEVELOPMENT OF CLIMATE-FRIENDLY STEELMAKING

The decarbonization of steelmaking is a major challenge for the entire industry and calls for innovative approaches. voestalpine collaborates with both universities and partner entities in order to drive pioneering solutions through R&D work.

In the longer term, hydrogen as a reducing agent is to replace the currently used direct reduction bridge technology based on natural gas. The hydrogen must be produced sustainably, i.e., solely from water using renewable energies. In order to research the technology and its feasibility for the steel industry, the world's largest hydrogen electrolyzer plant was built and successfully started up in 2019 at the voestalpine Group's Linz facility in Austria. It is here that tests are conducted to determine whether this technology is suitable for producing green hydrogen on a major industrial scale. The EUR 18 million project, which is supported by the European Union, also explores the potential of making network services available and of balancing fluctuations in the electricity grid.

The groundbreaking SuSteel project serves to conduct research on another direct steelmaking technology using hydrogen plasma. In January 2020, the pilot plant in Donawitz, Austria, succeeded for the first time in carrying out a hydrogen plasma smelting reduction. Current work aims to optimize the facility in order to enable continuous operations and to adjust it to different types of iron ore.

12. THE ENVIRONMENT

Environmentally conscious action is firmly integrated into the voestalpine Group's corporate philosophy. In particular, this is evidenced by its continuous endeavors to make economical use of resources such as raw materials and energy along the entire production chain and to minimize the environmental impact of processes and products.

To achieve these goals, voestalpine utilizes the best available technologies in its production plants and continually works to boost efficiency, lower emissions, and reduce the consumption of energy in connection with the existent system of steel production. Our intensive work to research new, more environmentally friendly production processes and, not least, to refine materials and products alike makes material contributions to the company's environmental footprint as well.

All of these activities are supported through transparent and efficient environmental management systems (EMSs) that have been widely implemented in the voestalpine Group.

voestalpine is committed to the following principles at all of its production facilities:

- >> To take comprehensive responsibility for our products;
- >> To optimize the production processes;
- >> To establish environmental management systems;
- >> To integrate employees into these processes and ensure environmentally conscious conduct on the part of every single one of them; and
- >> To engage in open and professional dialogues.

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Environmental protection is a core component of voestalpine's Corporate Responsibility (CR) Strategy. The following principles are enshrined in it.

Emissions in the Air, Soil, and Water: Minimize Using the Best Available Technologies

Process-related emissions cannot be entirely avoided due to the chemical and physical properties of existent production processes. We operate our production facilities based on the principle that the best available technologies must be applied as appropriate and in economically viable fashion. We also develop new approaches that aim to minimize environmentally relevant effects on the air, soil, and water as best as possible.

Circular Economy & Life Cycle Assessment (LCA)

We support holistic, comprehensive, and integrated analyses and assessments of materials (life cycle assessments, LCAs) as well as of all process and value chains within the parameters of the circular economy, also known as "circularity."

Energy and climate policy

Commitment to low-carbon production: We are meeting the challenge of decarbonizing the economic system in the long term not only through comprehensive research and development of new technologies, frequently via cross-sector cooperation agreements and projects. We also engage in an open and constructive dialogue with stakeholders such as political decision makers, the scientific community, and environmental organizations.



12.1 ENVIRONMENTAL MANAGEMENT SYSTEMS

voestalpine's internal environmental data management system comprises some 130 production companies and facilities worldwide—including all steel-producing and processing entities—that have a major impact on the Group's ecological footprint. This covers about 150 key figures regarding, for example, energy and materials efficiency, emissions, water, waste, and recycling management as well as environmental investments. These data serve not only to prepare external reports and fulfill reporting obligations, but also to facilitate ecological assessments of processes, products, and materials. They also provide the basis for the Group's

environmental activities at the operating and strategic level as well as the continual monitoring thereof.

Broad-based management systems are particularly important in this respect. Two-thirds of the facilities covered by environmental data management possess an environmental management system pursuant to ISO 14001 or the EU's Eco-Management and Audit Scheme (EMAS), and another 8% utilize a certified energy management system (EnMS) pursuant to ISO 50001.

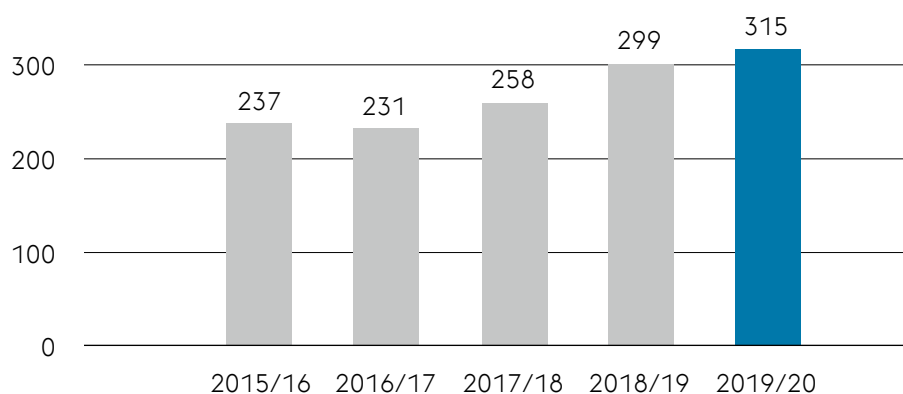
12.2 ENVIRONMENTAL EXPENDITURES

The environmental expenditures of the voestalpine Group over the past ten years amount to approximately EUR 2.4 billion. In addition to continually high expenditures for environmental measures at the operating level,

this reflects particularly the fact that the costs of the EU Emissions Trading System (EU ETS) have been growing since the company's business year 2017/18.

ENVIRONMENTAL EXPENDITURES

In millions of euros



Current operating expenses rose from EUR 299 million in the previous year to EUR 315 million in the business year 2019/20. CO₂ allowances accounted for a total of EUR 90 million (29%) of this amount. The substantial year-over-year increase (EUR 60 million) stems from the rising price of emissions rights, whereas purchases of additional allowances accounted for about one third of the cost, as before.

31% of these funds went toward clean air activities at the operating level; 21% were spent on waste recycling, reuse, and disposal; and 17% were invested in measures to protect the aquatic environment.

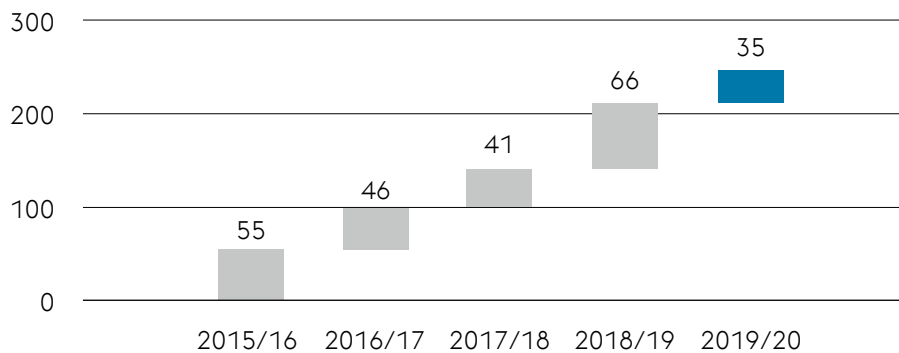
12.3 ENVIRONMENTAL INVESTMENTS

In the past ten years, the voestalpine Group spent some EUR 400 million on investment projects having a clearly allocable environmental impact. While environmental investments in the business year 2018/19 had risen to

EUR 66.2 million in both the Steel Division and the High Performance Metals Division, they declined to EUR 35.0 million in the reporting period.

ENVIRONMENTAL INVESTMENTS

Cumulative, in millions of euros



Despite shrinking investments owing to the difficult economic environment overall, the voestalpine Group brought important environmental and climate mitigation projects to fruition in the past business year also, especially regarding resource conservation, reductions in process-related emissions, and improvements in hydrological circuits.

The Steel Division, for example, focused its ambitious environmental program on the implementation of measures serving to lower the use of coke, natural gas, blast furnace gas (BFG), and power from electrical sources. It also implemented processes that make the utilization of water for cooling purposes more efficient. At

its plant in Linz, Austria, a number of steps were taken to reduce dust accumulations.

LEGACY POLLUTION CLEAN-UP PROJECT AT COKING PLANT

The work at Austria's largest legacy pollution clean-up project on the grounds of the former coking plant in Linz that has already been ongoing for the past ten years continued apace. Hot spots (i.e., highly contaminated soil representing legacy pollution dating back to World War II) in the area of the former tank warehouses were removed. A state-of-the-art funnel & gate system prevents pollutants from being carried away via the groundwater.

The current investment activities of the High Performance Metals Division are focused on its new special steel plant in Kapfenberg, Austria, which is slated to start up in 2021 and will set ecological standards with respect to energy efficiency, heat recovery, and wastewater recycling.

The “environmentally optimized staining” project at the same site that has a volume of about EUR 16 million was completed in the business year 2019/20. The newly built, fully automated salt bath and tunneled pickling system for chemically treating wire rod and drawn special steel wire is equipped with a next-generation exhaust air and wastewater treatment unit. This enables significant improvements in air, wastewater, and waste emissions; boosts resource efficiency; and lowers employees’ health risks. Acid vapor is treated via exhaust air scrubbers, and a regeneration unit cuts down the consumption of acid. Both the cascading rinse water structure and the regeneration of acid reduce the amount of slurry from the wastewater cleaning facility that must be classified as hazardous waste.

Moreover, the new wastewater treatment unit significantly lowers the concentration of emissions as well as the volume of wastewater. Finally and not least, the redesigned facility allows employees to carry out their activities without having to be in the immediate vicinity of the acid baths.

RENATURING THE WASTE DISPOSAL SITE

The project to redirect the Lanzgraben creek on the premises of the company’s Kapfenberg plant was completed in the business year 2019/20. This water body flowed on the north side of two waste disposal sites, cut through the waste disposal site at the funicular, and occasionally overflowed its banks due to strong overgrowth. A renaturing project was launched in 2017 as part of the preparatory work for the construction of the new special steel plant. The clean excavation material from the construction site—about 700,000 tons or some 350,000 m³ in toto—was used to reroute the creek. The area was straightened, and the creek was redirected around the funicular waste disposal site to its original course. In addition, a retaining pool with a volume of 12,000 m³ was created to prevent flooding in the future. Several amphibian pools were built, numerous trees and shrubs planted along the creek, and embankments created. Over a period of some two years, these activities created a large nature area in the middle of the waste site.

During the reporting period, the Metal Engineering Division also focused on further improvements in resource efficiency and on sustainably effective energy-related measures. At the division's largest facility (Donawitz, Austria), a comprehensive efficiency program in the company's own power plant makes it possible to boost the efficiency of its capacity to generate energy from by-product gases by up to 20 GWh/year. Additional technical measures reduce the energy required to operate the power generation unit by some 6,000 MWh annually. A new waste gas blower that also consumes a lot less electricity thanks to its greater efficiency was taken into operation in March 2020. Furthermore, the division's production companies made comprehensive investments to optimize cooling and wastewater systems and, in part, to modernize the operational buildings' thermal systems.

ZELTWEG FACILITY: CO₂ NEUTRAL FOR THE PAST TEN YEARS

The company's turnout technology plant in Zeltweg, Austria, achieves high environmental standards and has been CO₂ neutral for ten years thanks to extensive energy saving and efficiency measures, the use of renewables such as waste heat and district heating from biomass as well as the facility's own hydroelectric power plant. Current plans include projects aimed at further reducing energy consumption levels such as the complete conversion of the factory floor heating systems to CO₂-neutral district heating and replacing the forklifts that are operated using natural gas with electric vehicles. Some 40% of the still remaining direct CO₂ emissions, which so far were more than offset by excess electricity from the facility's own hydroelectric power plant, can be cut via this approach.

The Metal Forming Division, for its part, also took steps at a number of its sites to continue boosting its energy and resource efficiency and thus lower CO₂ emissions. This includes improvements in the heat recovery process, reductions in the consumption of water, and the widespread conversion to LED in factory floor lighting.

Annually, the division achieves savings of 600 MWh in its consumption of natural gas while, at the same time, raising the production volume at its precision section plant in Kematen, Austria. The annealing furnaces were converted to recuperative burners for this purpose. The new system consumes less energy to heat fresh air by using partially preheated air from the furnace.

JOINT PHOTOVOLTAICS PROJECT

An emblematic project that aims to generate renewable energy in house using innovative voestalpine photovoltaics products was implemented in the Netherlands, specifically, the company's Bunschoten plant for automotive components. There, 35,000 solar panels over an area of more than eight soccer fields will generate annual peak solar energy of about 10 million kWh in the future. This will cover one third of the facility's own energy requirements, with the result that its CO₂ emissions will be reduced by close to 6,000 tons a year. voestalpine's special section systems from Belgium are being used to install the solar panels on the roof.

12.4 AIR EMISSIONS

Owing to its energy-intensive processes, conventional steelmaking still depends on fossil fuels. The emissions resulting from these processes as well as from chemico-physical reactions cannot be eliminated in full.

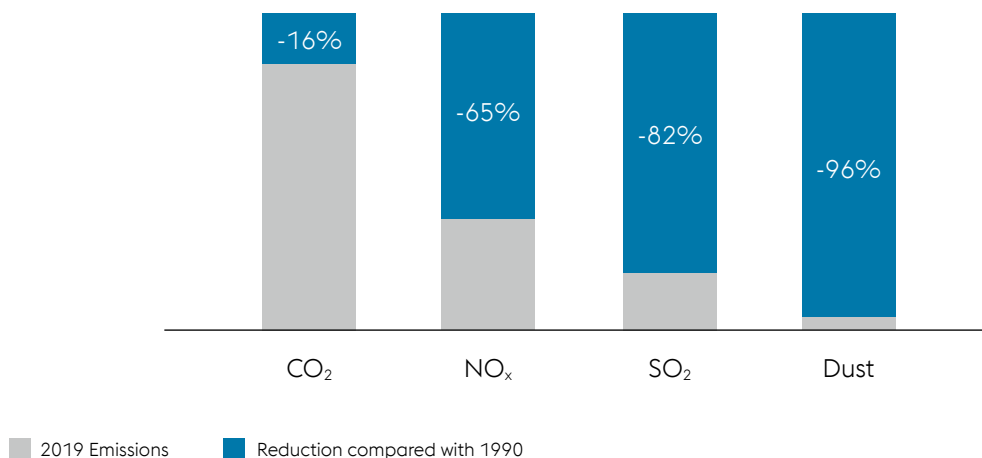
Yet voestalpine has been working for a long time to reduce process-related air pollutants to the technically possible minimum. This is accomplished by the continual optimization of technical processes (so-called “process integrated (PI) measures”). Remaining emissions are minimized by way of state-of-the-art scrubbing facilities (so-called “end-of-pipe measures”).

The major air pollutants that occur during the production of steel besides greenhouse gases (in particular CO₂) are sulfur dioxide (SO₂), nitrous oxide (NO_x), and dust. voestalpine fully complies with the statutory limits regarding all of these emissions. These parameters are verified and their annual loads determined by means of continuous measurements, periodic analyses, and material flow analyses.

Comprehensive environmental measures have enabled the voestalpine Group over the past three decades to substantially lower emission levels to that which is technologically achievable at this time. As a result, the specific emissions per ton of crude steel have been reduced as follows: CO₂ by 16%, SO₂ by 82%, NO_x by 65%, and dust by 96%.

REDUCTION IN EMISSIONS

Per ton of crude steel since 1990



12.4.1 GREENHOUSE GAS EMISSIONS

The direct greenhouse gas emissions of the voestalpine Group's roughly 130 production facilities in 2019 amounted to 13.6 million tons, with Austria (specifically, the Group's two crude steel production plants in Linz and Donawitz) accounting for the lion's share thereof. The year-over-year increase (12.7 million tons) stems mainly from the fact that the largest individual blast furnace in Linz (Blast Furnace A) was temporarily shut down in 2018 for relining purposes.

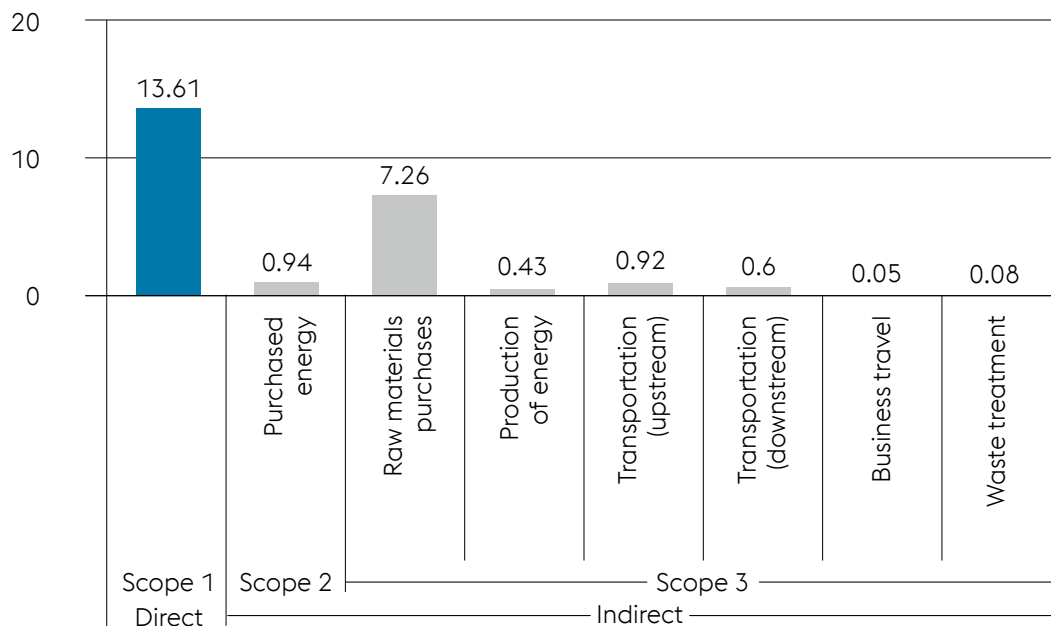
voestalpine places great value on transparency and thus has participated in the Carbon Disclosure Project (CDP) among others since 2017. To this end, the greenhouse gas emis-

sions have been tallied and externally verified in comprehensive fashion for all production facilities along the entire value chain in accordance with ISO 14064-3.

In 2019, voestalpine was given the CDP's "A-" rating for its work to mitigate climate change as well as for the scope, quality, and transparency of the underlying corporate data and thus promoted to the CDP's "leadership" category, the best of four. Most recently, voestalpine was awarded the CDP's best possible supplier engagement rating—A, i.e., "global leadership"—which assesses climate change mitigation across the entire value chain.

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS 2019

In millions of tons of CO₂e



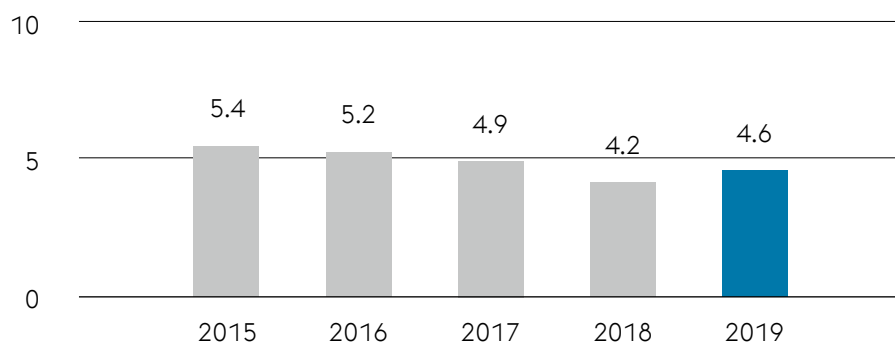
12.4.2 SO₂ EMISSIONS

The use of particular raw materials—e.g., coal and coke—introduces sulfur into the production process. During certain processing steps and when by-products (coke oven gas and blast furnace gas) are used for thermal recycling, sulfur is emitted in the form of sulfur dioxide (SO₂).

While the specific SO₂ emissions in the calendar year 2019 were 0.49 kg/t of product, the absolute SO₂ emissions rose to 4.6 kt compared with the previous year during which they were lower due to the idling of the plant in connection with the complete overhaul of Blast Furnace A at the Linz site.

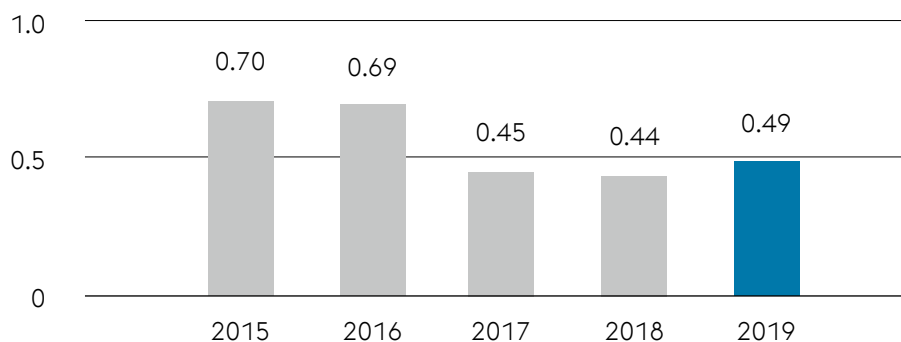
SO₂ EMISSIONS

kt



SPECIFIC SO₂ EMISSIONS

kg/t of product



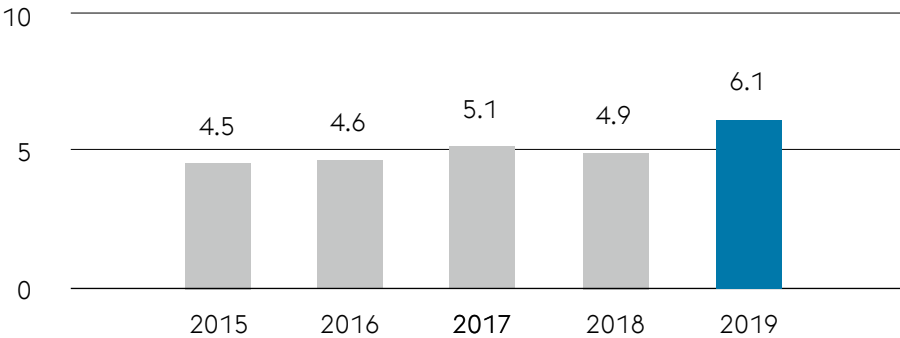
12.4.3 NO_x EMISSIONS

In steel production, nitrogen oxides result from the operation of industrial furnaces and from thermal recycling of the by-product gases. The

absolute NO_x emissions of voestalpine in the calendar year 2019 were approximately 6.1 kt, and the specific NO_x emissions were 0.64 t.

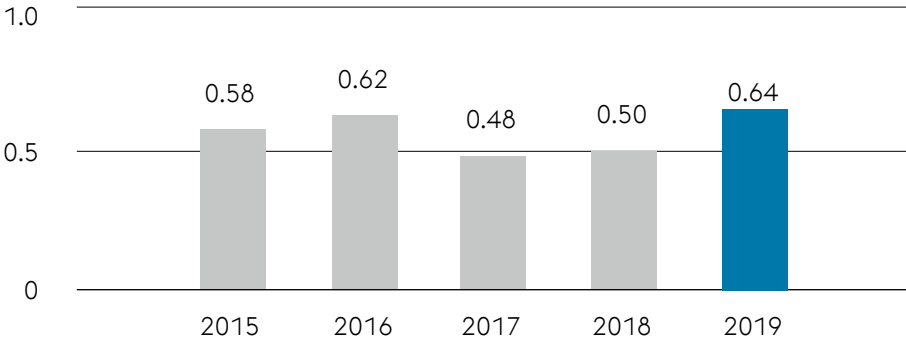
NO_x EMISSIONS

kt



SPECIFIC NO_x EMISSIONS

kg/t of product



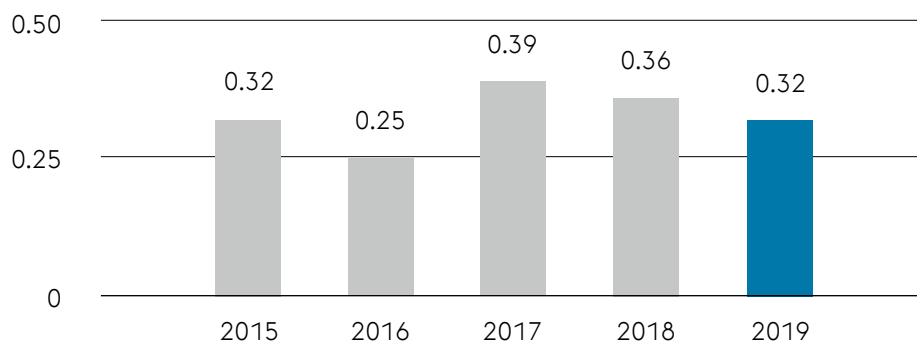
12.4.4 CAPTURED DUST EMISSIONS

Dust-laden exhaust air and exhaust gases occurring during production are captured and channeled to dedusting systems using state-of-the-art measures and precautions. In the

calendar year 2019, absolute dust emissions were lowered from 0.36 kt to 0.32 kt and specific dust emissions per ton of product from 37 g to 34 g.

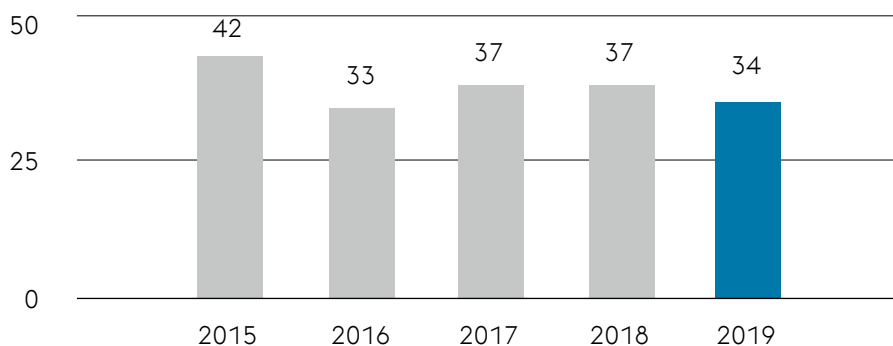
CAPTURED DUST EMISSIONS

kt



SPECIFIC CAPTURED DUST EMISSIONS

g/t of product



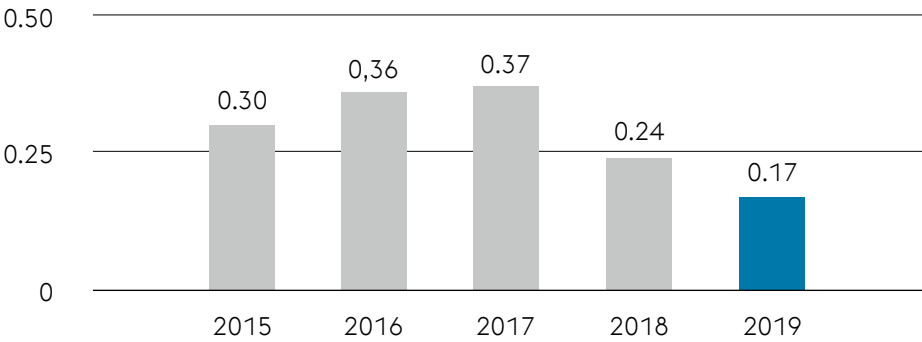
12.4.5 ORGANIC AIR POLLUTANTS

Organic air pollutants (i.e., volatile organic compounds, VOC) are primarily process related, resulting from the thermal process stages in crude steel production and/or in connection with the respective combustion processes. Following a significant reduction in the Group's absolute

VOC emissions in the calendar year 2018 thanks to investments in coal drying, VOC emissions were substantially lowered yet again in the calendar year 2019, from 0.24 kt to 0.17 kt in absolute terms and from 24 g to 18 g in specific terms (i.e., per ton of product).

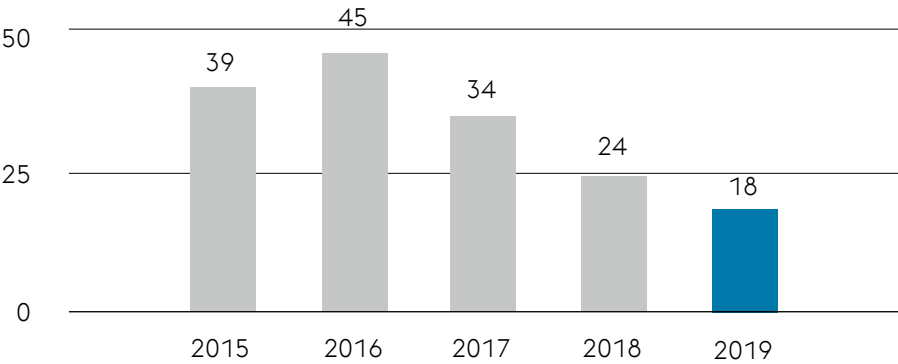
VOC EMISSIONS

kt



SPECIFIC VOC EMISSIONS

g/t of product



12.5 WATER MANAGEMENT

Water is one of the most important consumables and auxiliary materials in the production of both pig iron and crude steel as well as in downstream processing operations. It serves cooling purposes and generates steam.

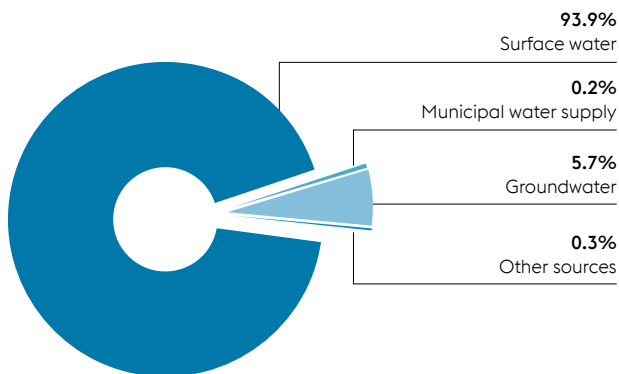
Always taking local conditions into account, voestalpine succeeds in conserving water resources via circular systems and the repeated use of process water, among other things. In keeping with ISO 14046 and the integrated LCA approach, assessments of the circular water economy are performed across all production steps and locations.

Determining the “blue water consumption” (i.e., the net consumption of freshwater) and/or the water scarcity footprint of each and every production facility involves conducting detailed analyses of the ways they contribute to the water scarcity of a region, taking local hydrogeological conditions into account.

voestalpine used approximately 703 million m³ of water in the calendar year 2019, but some 94% of this amount was sourced from surface water for cooling purposes and returned to the source in the same quality. Accordingly, the company’s direct net blue water consumption was 12.5 million m³ or 1.32 m³/t of product, just as in the previous year. Upstream steel production accounted for most of the indirect net blue water consumption of 47.9 million m³ or 5.03 m³/t of product, this too just as a year earlier.

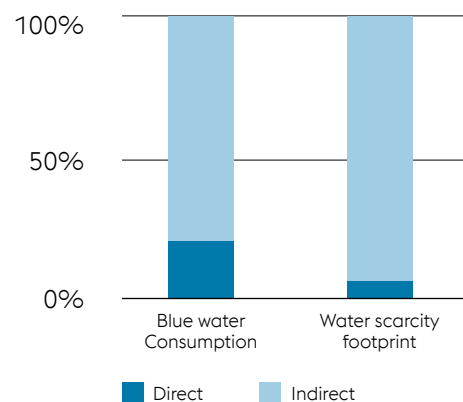
The impact of voestalpine’s process plants on local water systems thus is relatively low and does not aggravate conditions in regions already affected by water scarcity. These are the findings of an externally verified study on the determination of the water scarcity footprint, which plotted a Group-wide analysis of the production activities along the entire value chain (i.e., from cradle to gate).

WATER EXTRACTION 2019



WATER FOOTPRINT voestalpine AG

in %



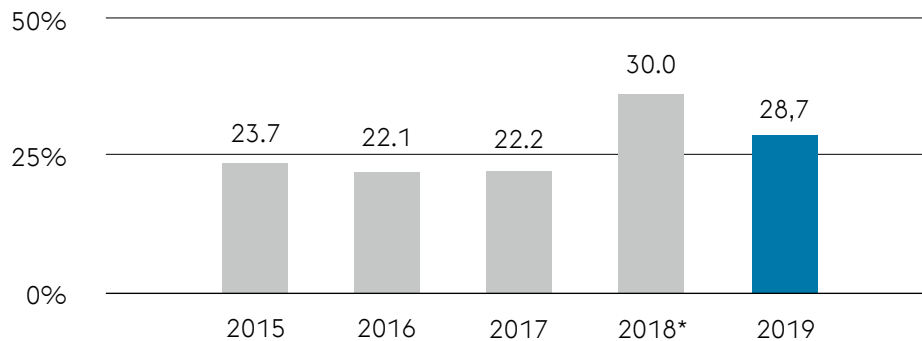
12.6 WASTE & RECYCLING MANAGEMENT

Steel is considered a permanent material. It has a long useful life, is easy to repair, and may be recycled into new steel products any number of times without any loss in quality. These properties and steel's contribution to weight reductions—e.g., in mobility (lightweight automotive construction)—make steel indispensable to a sustainable society.

What matters besides conserving resources in both production and processing is the work to continually improve products' useful life as well as their reusability and recoverability. Accordingly, own and third-party scrap are an important source of raw material for voestalpine. Scrap is utilized in the electric furnaces of the High Performance Metals Division to the same extent as in the crude steel production plants in Linz and Donawitz that adhere to the steel plant route and thus work with conventional blast furnaces. In 2019, the recycling rate of iron relative to the product output was 28.7%.

RECYCLING RATE

In %



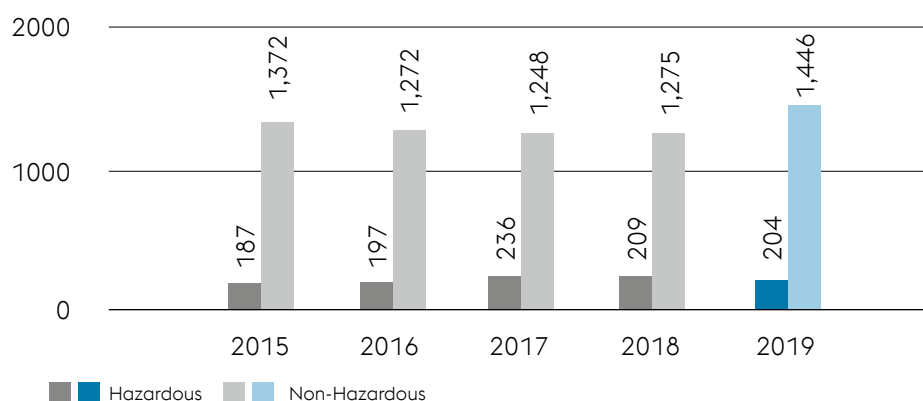
* From 2018: recycling rate of iron relative to product output
(= percentage of iron in the product made of secondary raw materials such as scrap)

Process management in the integrated steel mills is optimized on an ongoing basis to ensure internal circularity as well as external utilization of residual products and waste from both the production plants and downstream facilities. Products, residual materials, and waste that accumulate internally and externally are also (re)used in voestalpine's production plants; besides scrap this includes processed plastic waste, waste oil, and used grease. For example, steel mill dust is utilized in the zinc industry, and slag in the cement industry.

The specific volume of hazardous waste in the calendar year 2019 was 21.4 kg, and that of non-hazardous waste 151.8 kg. Year over year, the disposal volume of non-hazardous waste rose in 2019 by 15%. This increase is related to the Linz plant where a greater volume of steel mill slag was sent to external repurposing in 2019.

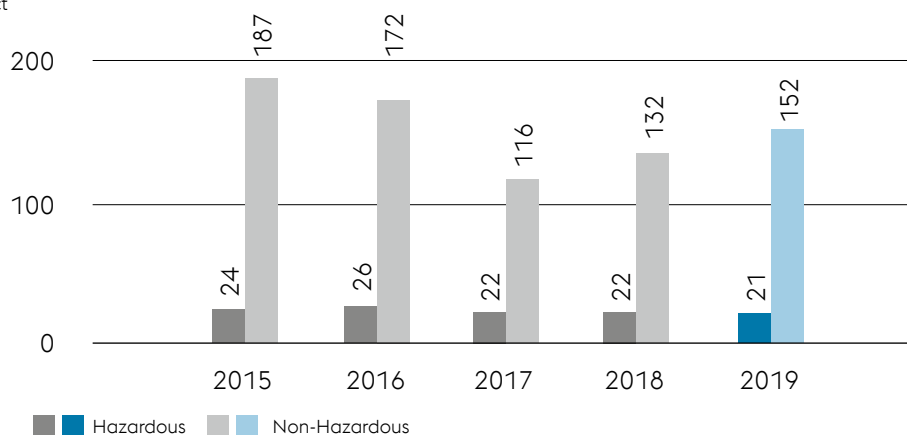
WASTE VOLUME

kt



SPECIFIC WASTE VOLUME

kg/t product



12.7 ENERGY

Reducing the consumption of energy is a permanent challenge in conventional steel production—for both environmental and cost reasons. After all: Energy costs still account for about one fifth of manufacturing costs.

In voestalpine's conventional, integrated steel mills, energy efficiency gains are achieved through the continual optimization of process gas recycling, the use of waste heat potentials, and a comprehensive energy management system (in this respect, see also "Environmental Management Systems," page 64). In Linz (the Group's largest plant), for example, the specific energy consumption level has fallen by 19% since 1990 through process optimization and the cascading utilization of the energy used.

The amount of energy required to reduce the amount of iron ore required in the production of pig iron or crude steel always remains the same, irrespective of the technical processes utilized. Processes currently being researched with respect to decarbonization (see "Climate Protection," page 34) do not significantly lower the absolute need for energy. Instead, they merely replace the energy currently genera-

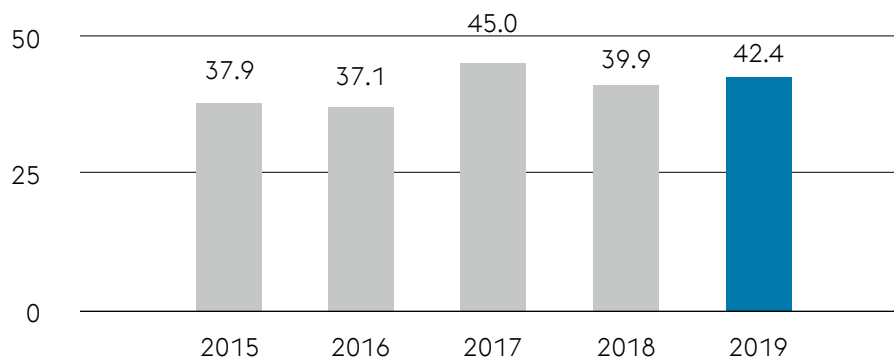
ted from coal or coke with the same volume of electricity from renewable sources and/or, in the long term, with hydrogen generated through green power.

The amount of third-party electricity that the voestalpine Group sources from the external network is negligible at this time, because it covers its energy needs itself mainly through fossil fuels. Process gases are converted into electricity in our own power plants within our steel facilities and are then re-used in downstream processing plants. Moreover, thanks to regenerative sources of energy (hydroelectric power, photovoltaics) many facilities already boast a high degree of energy self-sufficiency.

The total energy consumption of the voestalpine Group in the calendar year 2019 was 42.4 TWh (4.4 MWh/t of product), with Linz and Donawitz (the two crude steel facilities) accounting for 25.5 TWh and 6.3 TWh, respectively, and the direct reduction plant in Texas, USA, accounting for 5.4 TWh. The year-over-year increase (2018: absolute 39.9 TWh, specific 4.1 MWh) stems from the shutdown of Blast Furnace A in Linz during the 2018 relining work.

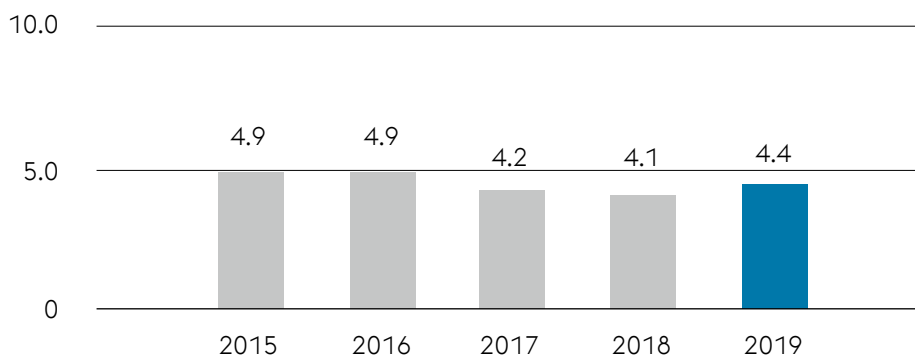
TOTAL ENERGY CONSUMPTION

TWh

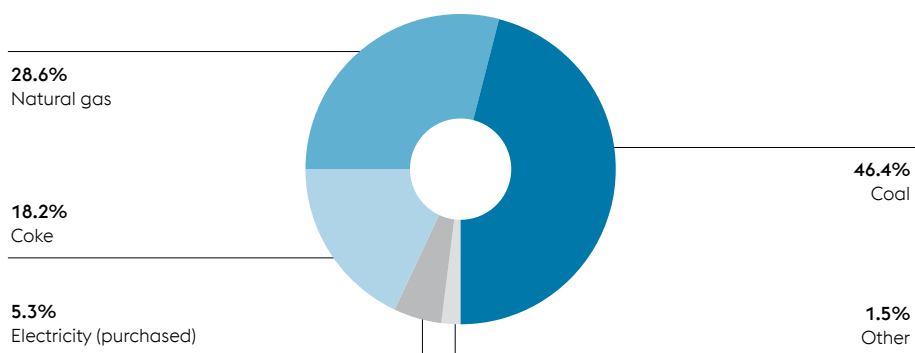


SPECIFIC TOTAL ENERGY CONSUMPTION

MWh/t of product



PERCENTAGE OF ENERGY SOURCES 2019



Coal, natural gas, and coke are the most important sources of energy. In 2019, a mere 5.3%

of the energy required was purchased from external networks.

13. HUMAN RESOURCES

Our success as a steel and technology group is based on our employees' particular expertise and high motivation. Hence voestalpine places great value in a respectful corporate culture as well as the diversity and individuality of its employees and their qualifications—all of which is reflected in the guiding principles of the company's Corporate Responsibility (CR) strategy.

Corporate Culture

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

Diversity

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

Training and Continuing Education

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



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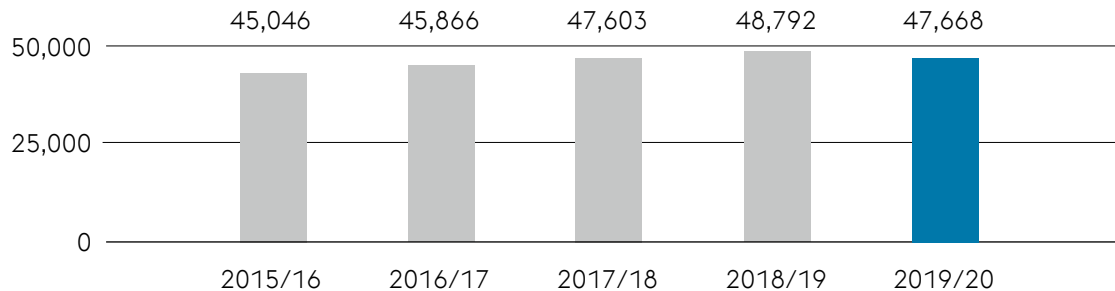
13.1 EMPLOYEE STRUCTURE

As of the annual reporting date (March 31, 2020), the voestalpine Group had a global workforce of 47,668 employees. Once 1,337

apprentices and 2,679 temporary employees are included, this number rises to a total of 49,682 full-time equivalents (FTEs).

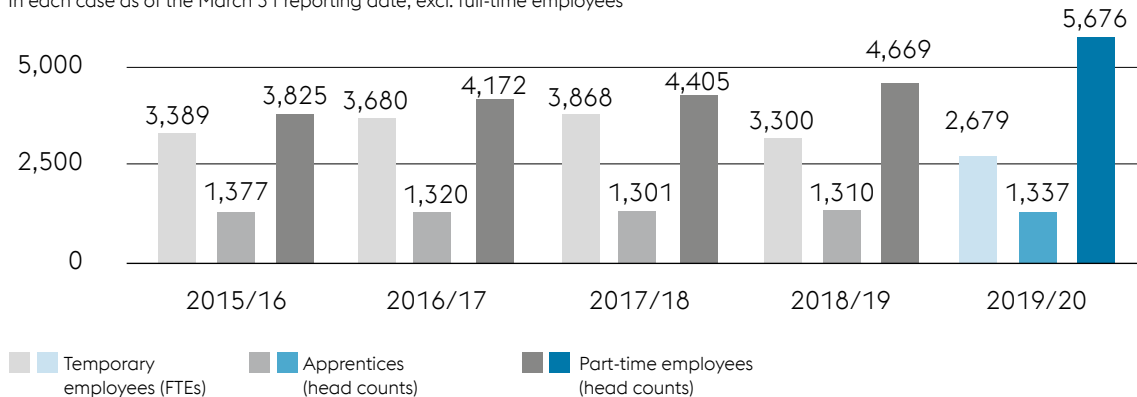
DEVELOPMENT OF THE NUMBER OF EMPLOYEES

Personnel (excluding apprentices and temporary employees, head counts), per business year



EMPLOYEE STRUCTURE BY EMPLOYMENT CONTRACT

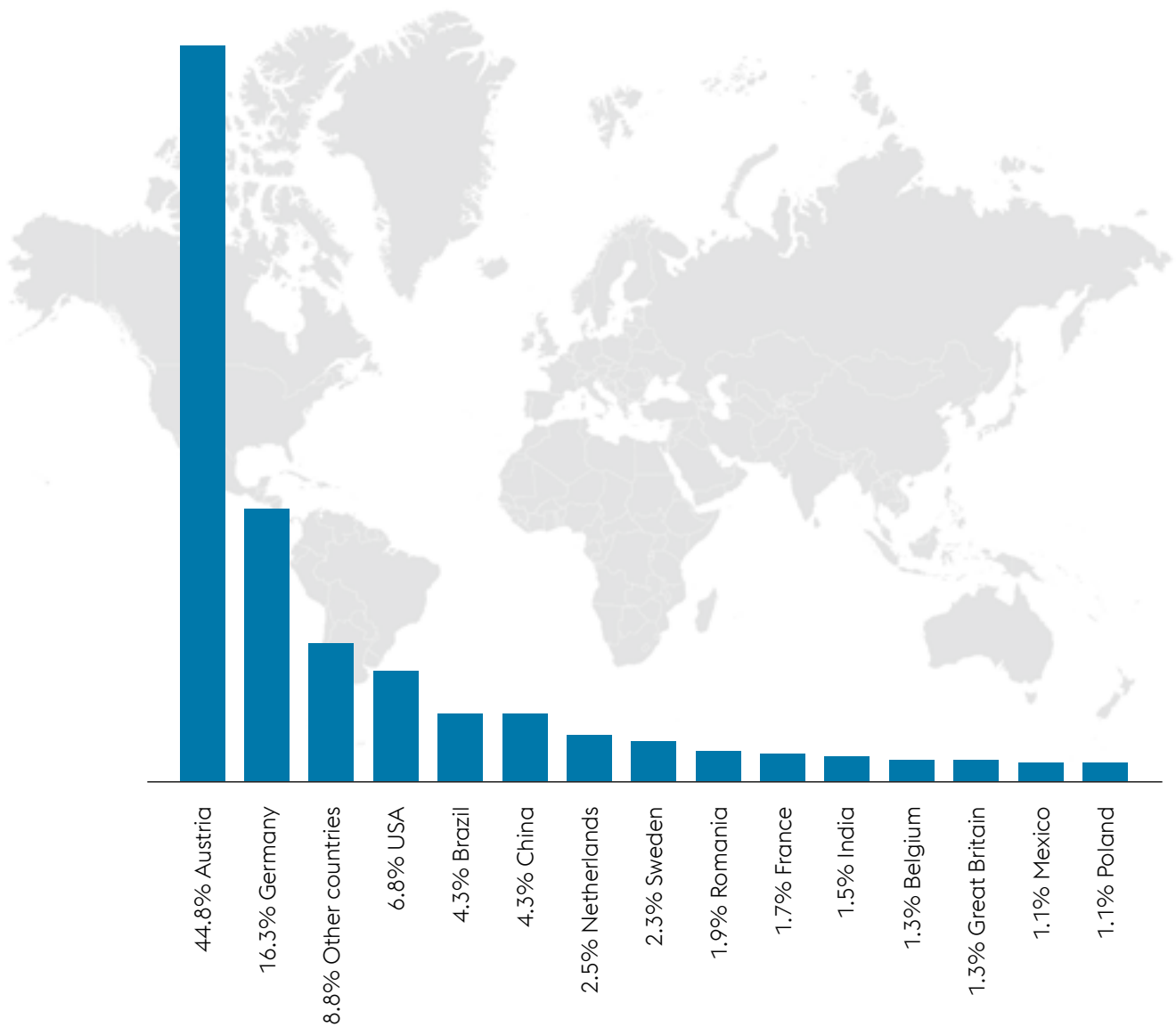
In each case as of the March 31 reporting date; excl. full-time employees



13.1.1 EMPLOYMENT BY COUNTRY AND REGION

voestalpine comprises about 500 Group companies and sites in 50 countries on five continents. A total of 44.8% of the company's

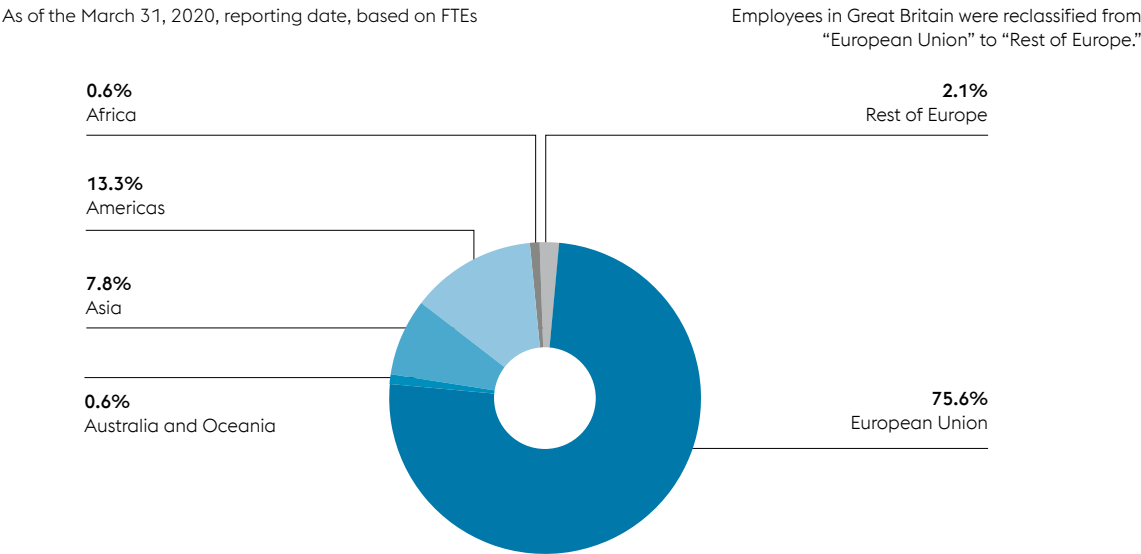
employees are based in Austria, and 55.2% work at sites outside of the country.



voestalpine is considered an attractive employer in the countries in which it works. This facilitates local recruiting, with the result that

most employees at any given site are local residents.

WORKFORCE BY REGION



German and English are the predominant languages in the voestalpine Group. Hence the Group's most important publications are issued in these two languages, but they are translated into multiple other languages also; this applies

to the Code of Conduct, the Corporate Responsibility Factsheet as well as the Employee Magazine.

13.1.2 YEARS OF SERVICE AND EMPLOYEE TURNOVER

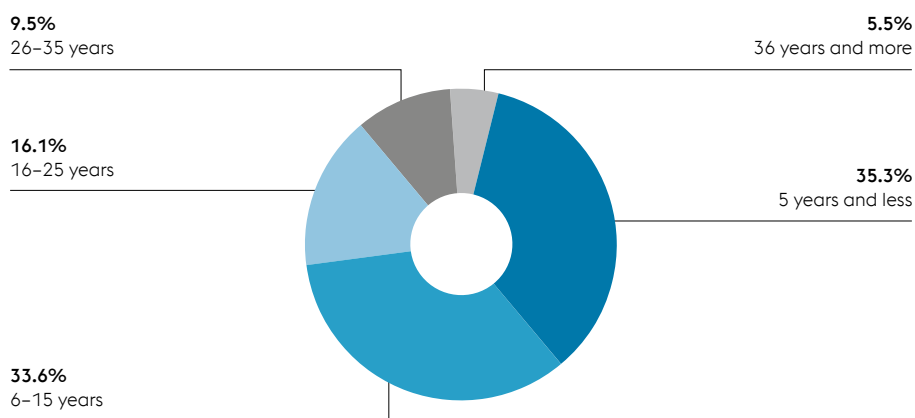
As in years past, in the business year 2019/20 employees who have up to five years of service with the Group make up the largest employee

group, followed by employees who have been with voestalpine for a period of six to 15 years.

YEARS OF SERVICE

As of the March 31, 2020, reporting date

All employees excluding apprentices, interns, freelancers, and master's/doctoral degree candidates



Numerous measures ensure that both the knowledge and the experience of our employees are put to the best use possible, thus continually enhancing voestalpine's attractiveness as an employer. This also keeps the employee turnover rate low. In the business year 2019/20, the turnover rate for employment contracts terminated by mutual agreement or by the employee was 7.7%. The collection of

data regarding new hires and departures takes all employees into account (including managing directors, Management Board members, temporary absentees; but excluding apprentices, interns, freelancers, master's/doctoral degree candidates). There were 22 applications for each job opening, thus illustrating voestalpine's attractiveness as an employer.

13.2 EQUALITY AND DIVERSITY

Globally, just over 50,000 people (FTEs) work for voestalpine. Each and every employee is valuable on account of their individual strengths and abilities and must be respected. The fact that voestalpine's CEO signed the company's "Diversity Charter" in February 2018 underscores the Group's approach to both diversity and equal treatment. voestalpine is committed to respecting all people with whom it has a relationship (employees, customers, business partners)—irrespective of gender, skin color, nationality, ethnicity, creed or worldview, im-

pairment, age, sexual orientation, and identity. This commitment and corresponding actions create a climate of acceptance and mutual trust. As laid out in the chapter on "Respect and Integrity" of the voestalpine Code of Conduct, the Group does not tolerate any discrimination, whatever form it may take.

NEW STANDARDS IN THE APPLICANT MANAGEMENT SYSTEM

The FABIS applicant management system is a platform for both potential employees and voestalpine itself that makes it possible to electronically process and track job openings and applications as well as the entire application process including all related communications.

Following the switch to a different provider, the existing standards that had been used in German-speaking territories for years were revised and rolled out internationally. For example, gender-neutral wording was developed for job announcements. These new standards will be adopted in short order by all Group companies.

13.2.1 DIFFERENTLY-ABLED INDIVIDUALS

In Austria, companies with more than 25 employees are required to make jobs available for differently-abled individuals. A total of 752 voestalpine employees in Austria have reported that they are subject to the beneficiary classification under the Austrian Act on the Employment of Differently-Abled Individuals (*Behinderteneinstellungsgesetz*). For reasons related to data privacy and protection, outside of Austria no information is collected on employees' po-

tential impairment. It goes without saying that voestalpine fulfills all statutory requirements regarding the employment and integration of differently-abled individuals that may apply at any given location.

A range of measures also ensures respectful treatment of each other in the Group. voestalpine supports integration measures outside of the Group's purview as well.

13.2.2 WOMEN IN voestalpine

It is voestalpine's stated goal to increase the percentage of women at all employment levels—whether among apprentices or among executives. Through actions that differ by region and company, voestalpine not only makes sure that it is an attractive company for female applicants but also creates an environment that is conducive to their professional advancement within the Group. As of the annual reporting date (March 31, 2020), women made up 14.7% of all employees in the voestalpine Group. The percentage of female workers is 5.8%; among

salaried employees it is 29.1%. As of March 31, 2020, women accounted for 12.5% of female executives (salaried employees with permanent responsibility for human resources, including forepersons, but excluding members of the Management Board). There was a slight increase in the number of women in most of these categories. At 47.8%, the percentage of women among apprentices completing non-technical training (shown in the “Female apprentices (other)” category) is particularly high.

WOMANPOWER IN SKILLED TECHNICAL TRADES

At home, voestalpine is a pioneer in educating and training women in technical trades requiring apprenticeships. The company's plant in Linz, Austria, for instance, welcomed the first female apprentices in technical trades as early as in 2003. Nowadays, women are an integral part of most of the Group's 50 companies: They work as welders, mechanical en-

gineers, electricians, or foundry technicians. In fact, female apprentices regularly deliver persuasive performances in competitions. At the Upper Austrian Apprentice Competition 2019, for example, a female apprentice mechanical engineer of voestalpine Stahl GmbH took the first prize not just in one category but in three.

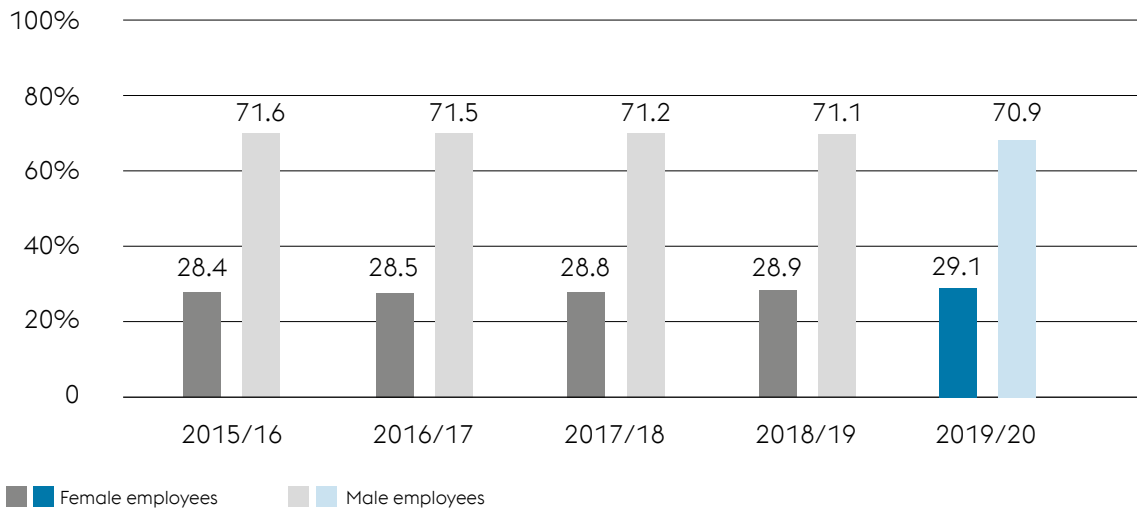
PERCENTAGE OF FEMALE EMPLOYEES

In each case as of the March 31 reporting date

	2015/16	2016/17	2017/18	2018/19	2019/20
Women overall	13.1%	13.5%	13.8%	14.4%	14.7%
Female executives	12.0%	11.5%	12.3%	12.5%	12.5%
Female salaried employees	28.4%	28.5%	28.8%	28.9%	29.1%
Female wage employees	3.9%	4.5%	4.9%	5.7%	5.8%
Female apprentices (technical)	11.8%	12.4%	13.5%	13.4%	15.6%
Female apprentices (other)	55.2%	50.8%	47.4%	52.7%	47.8%

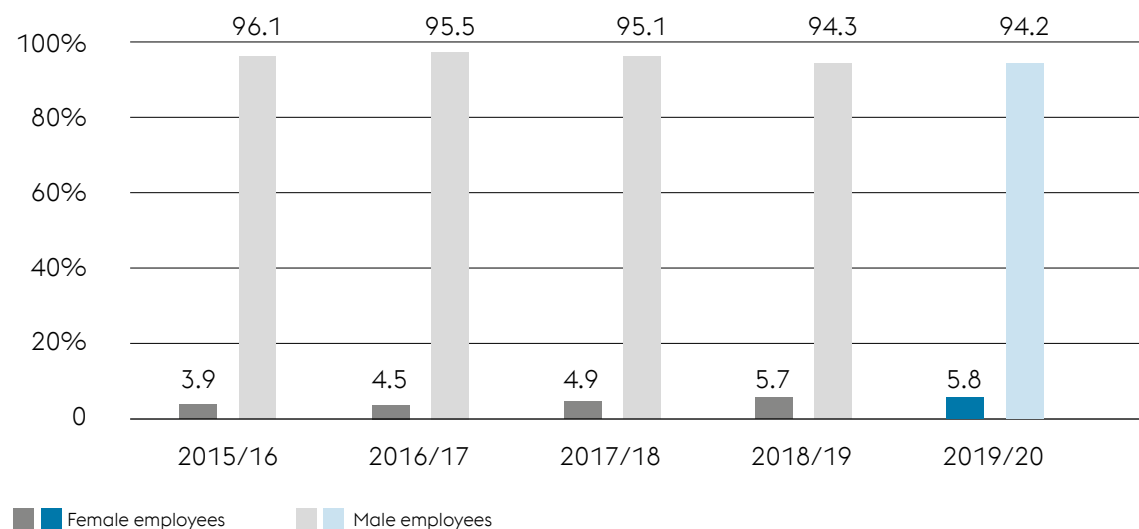
SALARIED EMPLOYEE STRUCTURE BY GENDER

In each case as of the March 31 reporting date



WAGE EMPLOYEE STRUCTURE BY GENDER

In each case as of the March 31 reporting date



13.2.3 AGE STRUCTURE OF EMPLOYEES

As of the annual reporting date (March 31, 2020), the average age of employees in the Group was 41.5 years. The following table shows

the average age by employment contract and gender.

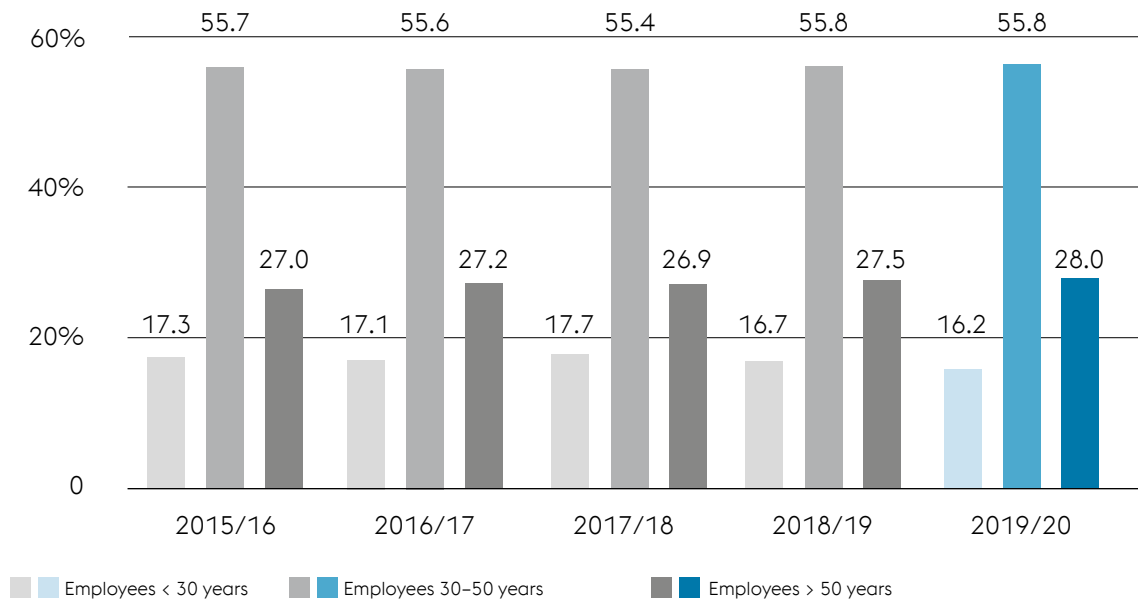
AVERAGE AGE OF EMPLOYEES

In each case as of the March 31 reporting date

	2015/16	2016/17	2017/18	2018/19	2019/20
Wage employees	40.5	40.5	40.4	40.4	40.8
Salaried employees	42.3	42.2	42.4	42.3	42.6
Women	39.8	39.5	39.7	39.9	40.1
Men	41.4	41.4	41.3	41.4	41.7

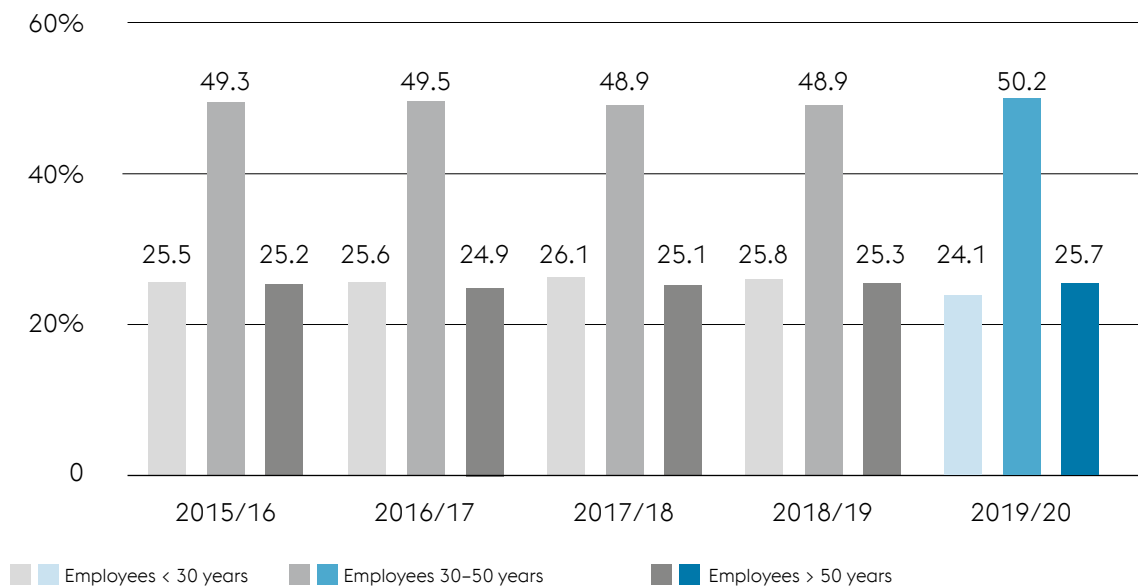
SALARIED EMPLOYEE STRUCTURE BY AGE GROUP

In each case as of the March 31 reporting date



WAGE EMPLOYEE STRUCTURE BY AGE GROUP

In each case as of the March 31 reporting date



13.3 ATTRACTIVENESS AS AN EMPLOYER

13.3.1 EMPLOYEE SURVEY

voestalpine regularly conducts a Group-wide employee survey. The most recent survey was carried out in the fall of 2019; it was the first one to be conducted exclusively online. A total of 77% of the employees invited to participate provided their feedback. The results show positive developments at the Group level. Compared with 2016, the level of commitment rose by 3% to 56%. This key figure describes the emotional and intellectual degree of loyalty to a group or organization and is compiled from the answers to different questions.

The agreement values in two categories—“Professional Development Options” and “Direct Executive”—critical to the survey also increased. Besides the Group-wide employee survey, in the future Group companies will also be able to conduct interim surveys (so-called “pulse surveys”). These provide greater autonomy and flexibility with respect to the analyses. The Management Board of voestalpine AG resolved to make commensurate reports to the participating companies’ supervisory bodies mandatory in order to ensure consistent and verifiable implementation of the actions taken in response to survey findings.

13.3.2 EMPLOYER BRANDING

Its positioning as an attractive employer is very important to voestalpine. We can drive innovation and compete successfully in the market only if we have committed and professionally competent employees.

The regular voestalpine employee survey thus serves as a barometer of employee satisfaction and results in the development of internal action packages. Numerous external personnel

marketing activities such as collaborations with (primarily technical) universities, participation in job fairs and career expos, and sponsoring are carried out to further enhance voestalpine’s employer branding. A strong presence in all of the relevant online and social media channels as well as active reporting about the company increase voestalpine’s visibility among the target groups.

ANNUAL EMPLOYEE PERFORMANCE REVIEW

The annual employee performance review has become a key personnel development tool in many voestalpine companies. A structured, annual conversation between supervisor and employee outside of daily routines provides the basis for positive collaboration. Careful preparation, regularity, and documentation among other things distinguish these reviews from other kinds of meetings. Annual employee performance reviews must be conducted Group-wide with all salaried employees. A recommendation has

been made to introduce suitable instruments of this nature for wage employees (e.g., team assessment dialogues) also, but the binding standards do not provide relevant guidance. While corporate headquarters offers standardized questionnaires and manuals, adjustments specific to companies and countries may be made. In the business year 2019/20, a total of 29,121 annual employee performance reviews were conducted Group-wide.

13.4 TRAINING AND CONTINUING EDUCATION

voestalpine believes that enhancing employee qualification levels is instrumental to both innovation and quality and thus the company's success. Numerous measures thus promote employee training and continuing education and simultaneously serve to expand employees' career opportunities. More than EUR 53 million

in total were spent on human resources development in the business year 2019/20. A total of 64.4% of all Group employees took part in training and continuing education programs, and the total volume of training hours was 781,539; this equates to an average of 25.4 hours per trained employee.

13.4.1 EXECUTIVE TRAINING PROGRAMS

voestalpine relies on the so-called "value:program" it developed for training current and future executives. A total of 198 employees from 26 countries participated in this multi-level leadership program during the business year 2019/20. Of these, 16.7% were women. What makes this program special, aside from the skills training offered by leading international experts and the broad range of the program's methods, is the intensive collaboration by members of voestalpine's management—whether as presenters, project managers, or even sparring partners (so to speak)—in exchanges of experience. This mixture of external and internal know-how

along with Group-wide interest in ensuring that employees possess advanced qualifications make the value:program extremely successful and unique. Among other things, the participants are required to work on internal projects, giving project mentors insight into the benefits of having international teams from the most divergent corporate units and cultures. As a result, the value:program has focused more intensely on the issue of diversity and promoted its advantages; commensurate training modules will be integrated into the program no later than in the business year 2021/22.

HIGH MOBILITY POOL

The High Mobility Pool (HMP) program is being reorganized to foster international talent. As part of the program, young college graduates with a few years of professional experience carry out sophisticated project work worldwide. Purposefulness, flexibility, self-directedness, knowledge of management methods, and excellent communication skills are the prerequisites for being successful in this program.

It gives young, talented individuals the opportunity to learn a lot and to use their range of projects to promote international networks within the Group. Following two years of successful international project activity, at the close of the business year 2019/20 six HMP program graduates were offered long-term employment contracts with voestalpine.

13.4.2 PROFESSIONAL ACADEMIES

In addition to its proven programs for executives and specialists, voestalpine also offers training programs for wage and salaried employees. These programs not only expand these employees' professional qualifications and expertise, they also boost soft skills such as teamwork, self-reflection, and agility.

Topics such as guiding values and corporate responsibility are explored as well. The voestalpine Group believes that these capabilities and competencies besides high levels of professional expertise are important factors in employees' successful future advancement.

HR ACADEMY

voestalpine places great value on employee development. The Group offers a wide range of customized programs for various employee groups, including professional academies such as the Sales Academy, the Purchasing Academy, and the voestalpine HR Academy, which was launched in 2016. The training program for HR managers and HR specialists at all Group companies and locations is carried out every two years. So far, it has produced 60 graduates.

The HR Academy aims to support HR managers in their active role as the link between executive and non-executive employees so that all can do their best to contribute to achievement of the company's

goals. This conforms to the way the HR Academy structures the content of its curriculum. Course offerings range from greater familiarity with Group-wide HR tools (e.g., the employee survey, advertising materials for employer branding, onboarding templates, etc.), to practical applications of consulting methods, all the way to advanced topics such as change management, communications, finance for HR, and personality tests. The HR dialogue is an important component of the HR Academy. At this event, Group and division HR managers discuss current and future challenges with the program participants.

13.5 APPRENTICES

As of the annual reporting date (March 31, 2020), the voestalpine Group was training 1,337 apprentices in about 50 skilled trades, the majority (62.8%) at locations in Austria. A total of 22.1% of apprentices were being trained in Germany under the dual system applicable in that country. Because apprenticeships are based on defined needs, almost all of the

apprentices who successfully complete their training are offered full-time positions. voestalpine clearly believes that it has the duty to invest in the training of young, skilled workers. In addition to excellent professional training, the focus also is on developing personal and social skills. The Group currently invests more than EUR 70,000 in training a single apprentice.

PROMOTING APPRENTICES' HEALTH

The individuals responsible for the apprenticeship programs offer a range of information on health issues to apprentices and trainees alike. Some of voestalpine's sites create programs that combine a host of actions and activities in this area. In Zeltweg, for example, the roughly 53 apprentices will soon be supported by a dedicated health coach. One of the trainers is currently acquiring the requisite qualifications for this position. Health as such has been an important topic in the apprenticeship programs for quite some time. It is addressed in both the annual and the quarterly apprentice reviews as well as in many lectures, workshops, and events. Apprentices who like to keep moving can choose among business-specific running programs, memberships in fitness centers as well as our very own apprentice soccer team. The "Apprentice on the Move" program has already existed in Linz for more than 20 years. It is continually being redesigned and offers workshops on issues such as fitness, ergonomics, addiction prevention, healthy nutrition, and much more.

In Schwäbisch Gmünd, Germany, some 39 trainees can choose from among numerous workshops, including stress management and cooking classes for healthy nutrition. Starting in October 2020, a discrete "health day" will be launched in cooperation with a fitness center, offering training sessions, vital health check-ups as well as discounted memberships. At the plant in Kapfenberg, Austria, the health of 250 apprentices is promoted from the get-go. The curriculum for the first apprenticeship year offers a total of six customized modules ranging from movement and nutrition, to individual fitness checks, all the way to issues such as psychic health and self-esteem. This health project starts with a two-day team-building seminar. Two trainers in Kapfenberg are health monitors, who hone the apprentices' health consciousness again and again through lectures and frequently playful workshops.

DIGITALIZATION PROJECTS AS PART OF TRAINING CURRICULA

Digitalization is an important component of all training at voestalpine. Various digitalization projects are deployed to impart digital skills to apprentices as part of their training. Just as in 2017 and 2018, in the summer of 2019 more than 60 apprentices at the Kapfenberg training center planned and built a fully automated miniature factory. Five apprentices from Wetzlar, Germany, participated in this futuristic project under an exchange program. Thanks to projects such as the Digital Learning Factory, these future skilled workers are already preparing now for the Workplace 4.0.

voestalpine's training center in Linz also introduces apprentices to the newest cutting-edge technologies, offering an expanded curriculum that covers digital learning content and tools. Working with virtual reality goggles as well as tablets already is a fixed component of the program. A new electrical technology lab was inaugurated at the Krems plant in September 2019. Electrical engineering apprentices can now spend their entire two-year basic training in this innovative work environment, building extensive electrical circuits and controls in state-of-the-art labs, simulating circuitry, and engaging in other tasks.

voestalpine's APPRENTICE COMPETITION AND GROUP APPRENTICE DAY

Every year, the Group Apprentice Day gives apprentices an opportunity to learn from each other. The Seventh Apprentice Day was held in Linz in 2019. A total of 350 apprentices from 40 locations in Switzerland, Germany, and Austria attended the event and shaped it also: in discussions with voestalpine AG's Management Board; during the voestalpine quiz; and on a tour of the plant. Our up-and-coming skilled workers used last year's annual creative competition yet again to display their innovative potential.

voestalpine traditionally organizes a competition for all apprentices from Austria, Germany, and Switzerland ahead of the Group Apprentice Day. In 2019, the apprentices were invited to submit their ideas for a "futuristic vehicle." The best submissions were honored at the Group Apprentice Day on October 30th. Two mechatronics apprentices at voestalpine Automotive Components in Dettingen, Germany, won first prize for their "Futuristic Wheels." They got a lot of help from their fellow apprentices, for example, in connection with laser cutting as well as bending and welding the sheet steel.

13.6 THE STAHLSTIFTUNG

In 1987, the so-called *Stahlstiftung* (Steel Foundation) was founded in Linz as an employee fund with the aim of providing not only employees of the VOEST-ALPINE Group (as it was called at the time), who had to leave the company due to a crisis, but also employees of companies outside of the Group the opportunity to reorient themselves professionally while undergoing up to four years of training and continuing education in order to offset or at least alleviate the impact of the job loss.

In the business year 2019/20, about 87% of the participants looking for work were able to develop a new professional perspective with the help of the Stahlstiftung.

As of the annual reporting date (March 31, 2020), a total of 334 individuals were receiving assistance from the Stahlstiftung, 69.2% of whom were former employees of the voestalpine Group. The total number of active Stahlstiftung participants in the business year 2019/20 was 546, i.e., 2.5% less than a year earlier (560 individuals). Aside from the participants covered by the Stahlstiftung in its capacity as a classic employee fund, in the business year 2019/20 a total of 62 individuals were supported in connection with educational leave activities.

13.7 EMPLOYEE SHAREHOLDING SCHEME

voestalpine has had an employee shareholding scheme since 2001, which has been continually expanded since then. The employee foundation is a stable, key shareholder of voestalpine. In addition to all Group employees in Austria, personnel in Great Britain, Germany, the Netherlands, Poland, Belgium, the Czech Republic, Italy, Switzerland, Romania, Sweden, and Spain have a stake in voestalpine too. As of March 31, 2020, a total of 25,300 employees held about 23.1 million shares through the voestalpine

Mitarbeiterbeteiligung Privatstiftung, which constitutes 12.9% of the company's share capital due to the general bundling of voting rights. Furthermore, the voting rights of about 3.3 million "private shares" owned by former and current Group employees, who may freely dispose of their shares at any time, have been transferred to the foundation; this equates to an additional 1.9% of the voting shares. In toto, as of March 31, 2020, 14.8% of voestalpine AG's share capital was owned by employees.

responsabilità

14. health & safety



Human health and safety are key fundamental values at voestalpine and have the highest priority.

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

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

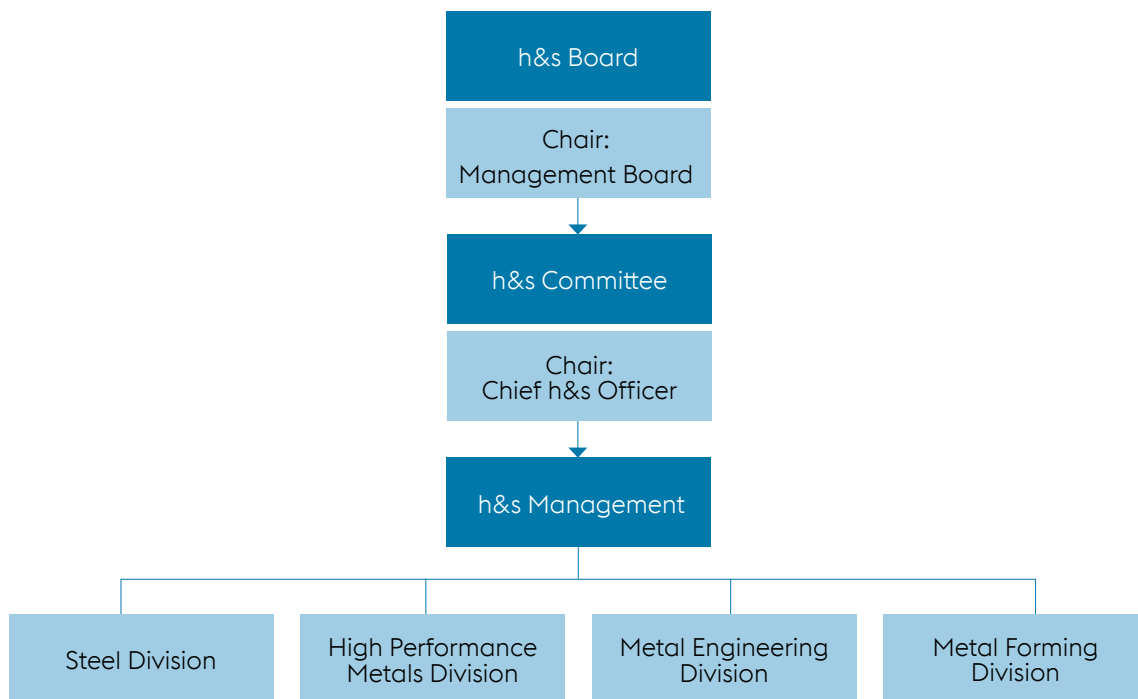


14.1 THE health & safety (h&s) SYSTEM

The Group's employees are its backbone. Hence their physical and psychological wellbeing (health) and their security (safety) at the workplace are considered key values at voestalpine.

This is underscored by the fact that the corporate health & safety department reports directly to one of the members of voestalpine AG's Management Board. It is run by the Chief health & safety Officer and fosters cooperation across the Group. This department and a health & safety Committee, which is made up of employees of all four divisions as well as Works Council representatives, collaborate intensely on lowering the frequency of accidents. The accident frequency rate has already been reduced by more than 40% Group-wide since the department was established.

voestalpine's health & safety department works to develop a health & safety culture that all employees throughout the Group can embrace. Aside from the Chief health & safety Officer, the h&s Board (comprising all Management Board members), and the h&s Committee, managers in each division also have a role to play in this connection. Safety projects that serve to prevent accidents and strengthen people's awareness of safety issues are carried out in all divisions.



The following safety standards have been defined for the voestalpine Group:

- >> Every production company must put in place a safety system appropriate to its size and the nature of its activities.
- >> Safety audits are measures aimed at checking the lived reality of the safety culture and must be conducted by production company executives.
- >> Near misses must be reported, documented by way of event analyses, and appropriate actions devised and implemented.

The effectiveness of the Group-wide safety standards is reviewed annually using a web-based tool and improved as necessary through appropriate action.

voestalpine's Management Board member responsible for workplace safety has been required to perform annual safety audits since the business year 2018/19. The managing directors responsible for workplace safety at the production companies, in turn, must carry out quarterly safety audits.

The Lost Time Injury Frequency Rate (LTIFR) and the health status are the two key safety indicators that the companies compile uniformly throughout the Group.

14.2 LOST TIME INJURY FREQUENCY RATE

The LTIFR shows the number of reportable workplace accidents entailing more than three sick days per one million hours of work.

There are stark differences in the definitions of reportable workplace accidents, sick days, and hours of work across the countries in which voestalpine works. Hence a uniform definition was put in place at the Group level. This definition has governed the figures that have been compiled since the business year 2015/16.

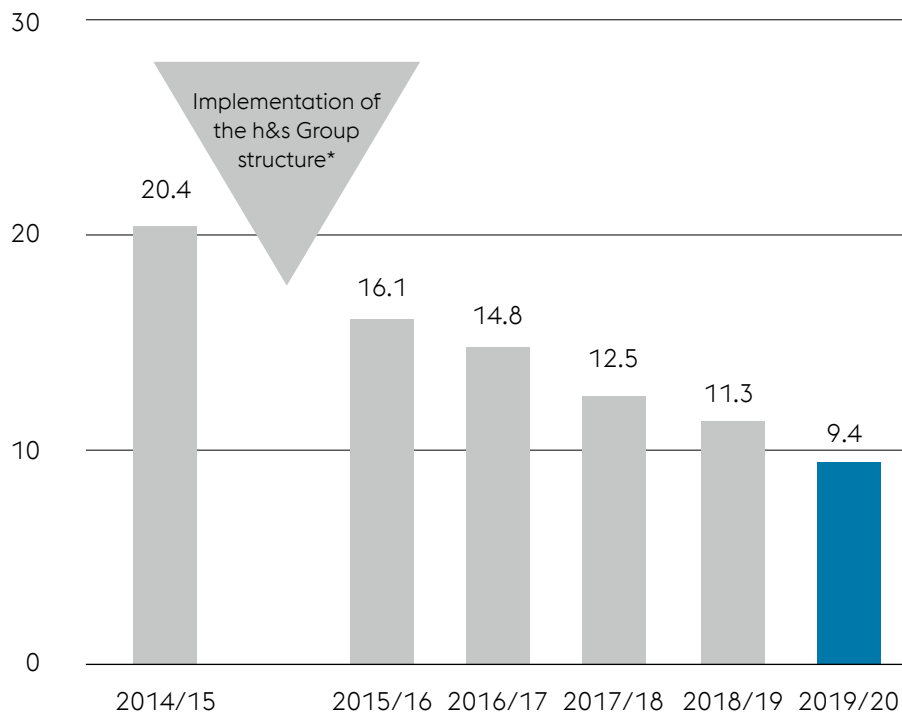
As a result, the numbers compiled before this date cannot be compared to the ones compiled after it.

Thanks to consistent h&s measures in the divisions, the number of workplace accidents has fallen continuously in recent years.

In the business year 2019/20, not a single fatal accident involving voestalpine employees occurred in the entire Group.

DEVELOPMENT OF THE LOST TIME INJURY FREQUENCY RATE (LTIFR)

As of the March 31 reporting date



* Change in the definition of the key performance indicator (KPI)

Digital Learning for health & safety

Digital learning modules are produced in five languages to transmit the Group's health & safety values; they are available to all employees. New employees must complete these learning modules before starting their job. The modules explain voestalpine's health & safety values and the Group's lived health & safety culture:

1. Safety and health have the highest priority.
2. Our executives stand for these core values and ensure that they are complied with across the board.
3. Safe work practices (SWP) are the basis for employment with voestalpine.
4. Through their personal conduct, our employees affect everybody's safety and health at the workplace.
5. Responsible employees pay attention to themselves as well as to their co-workers.
6. We also expect our contractors and partners to give priority to the safety and health of their employees.
7. Healthy employees, who have not been harmed, are the foundation of a healthy and successful company.
8. Every occupational accident is one too many and preventable.

LEARNING FROM EACH OTHER: EXAMPLES OF HOW TO LOWER THE LTIFR

A photo competition entitled, "We Work Safely," was launched in the reporting period for all voestalpine sites. All employees were invited to take pictures of how they perform their work safely.

84 submissions from 15 countries were received. Of these, the 12 best photographs were selected through online voting and used in the creation of an annual calendar.

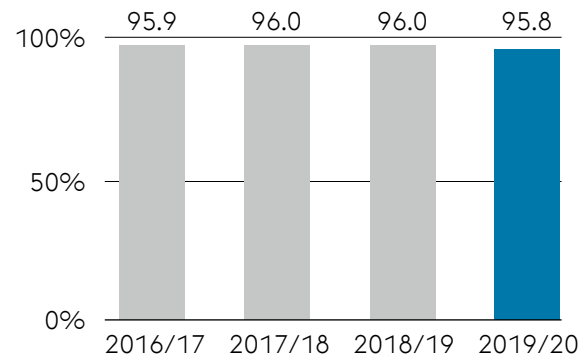
14.3 HEALTH STATUS

The health status shows the percentage of prescribed working hours during which all employees were actually present during a pre-defined period.

A high health status is not only good for the employees, it is also good for the company. It demonstrates the outcome of an effective health policy as well as the company's responsible and respectful attitude toward its employees. No matter how important it is to achieve a high health status, it is equally important to ensure that employees do not come to work when they are sick.

DEVELOPMENT OF THE HEALTH STATUS

As of the March 31 reporting date



FOCUS ON HEALTH

In 2017, voestalpine's Steel Division started organizing short lectures for its employees in the context of 15-minute safety training modules or as standalone events entitled "Focus on Health." The aim is to increase employees' health skills and to promote their sensitivity and attentiveness to health-related issues. These lectures are primarily designed to expand people's basic knowledge of issues related to health maintenance.

There has been a substantial increase in both the number of people reached and the number of events held since the lecture series was launched.

A total of 82 events were offered in the business year 2019/20; they were attended by 1,817 interested individuals. Particularly the offerings related to heart health and psychic health met with excellent acceptance:

- Nutrition: 1 event, 8 participants
- We stay healthy: 1 event, 42 participants
- Mindfulness: 4 events, 50 participants

- Addictions: 4 events, 61 participants
 - Stress management: 9 events, 225 participants
 - Shift work: 14 events, 307 participants
 - Heart health: 18 events, 344 participants
 - Psychic health: 31 events, 780 participants
- The lecture series is refined in response to needs expressed within the company.*

Lectures on the following topics are being offered in 2020:

- Movement
- Nutrition
- Addictions
- Heart health
- Infection prophylaxis
- Psychic health
- Shift work
- Stress management
- Mindfulness

14.4 ISO 45001

Sixty percent of voestalpine Group companies have already been certified under an occupational safety and health management system. The certification pursuant to the new inter-

national ISO 45001 standard is carried out continually in connection with recertifications pursuant to OHSAS 18001.

14.5 WORKPLACE SAFETY AT CONTRACTORS / THIRD-PARTY ENTITIES

voestalpine also takes care of the health and safety of the people working for third-party entities. Binding guidelines that the employees

of contractors and/or third-party entities must comply with were issued to this end.

14.6 MEASURES RELATED TO THE COVID-19 PANDEMIC

The final weeks of the business year 2019/20 were dominated by the impact of the Covid-19 pandemic on the Group's employees. Starting in China and then spreading globally in most of the Group's companies, the pandemic evolved into one of the company's biggest economic challenges in recent decades. A Coronavirus Task Force that was established at Group headquarters in February 2020 coordinated all responses to ensure our employees' health. In addition, the evolving measures enacted by the governments of different countries had to be adequately implemented as well. For exam-

ple, the Coronavirus Task Force prepared hand hygiene guidance and rules of conduct to be followed at the workplace. At the start of the crisis, Group-wide guidelines were issued for handling business trips. Subsequently, teleworking recommendations were developed and short-time work was coordinated in those countries where related state-sponsored measures were put in place. During the entire time, a great deal of attention was paid to keeping all employees informed at all times about all actions being taken.

15. SOCIETY

voestalpine's companies engage with their regional environment in multifaceted ways. The Steel Division, for example, has played an active role as a sponsor of art and culture for more than 50 years. The division's support has helped to bring about the *Kulturgemeinschaft voestalpine* (voestalpine Cultural Society) in Linz, Austria, a highly active network of current and former employees, who spend their leisure time engaging in fine arts, music, or history.

The *Erinnerungszeichen* (Signs of Remembrance) project related to the history of the city of Linz was launched during the reporting period in collaboration with the company's Linz Training Center.

THE voestalpine CULTURAL SOCIETY

The insight that interactions between art, culture, and the working world can create meaning in every imaginable way was the spark that brought forth this society in 1963. What is common to its activities is that everything is self directed: The Society's members generate its momentum, always driven by the desire to evolve at the personal level. The company has valued and supported these activities from day one.

The voestalpine Linz Choir and the voestalpine Brass Band make up the Cultural Society's musical branch. Both are steeped in a long tradition, and their music has graced many an event through the years, both inside and outside the company. The Brass Band's annual concert in the Brucknerhaus Linz is a fixture of the local cultural scene.

The Cultural Society's fine arts section encompasses a fine arts group and a ceramics workshop. Both are located in a building within voestalpine's Linz facility and regularly organize exhibits.

Interest in the company's history also is a fixture of the voestalpine Cultural Society. Retired employees have been active in the *Geschichteclub Stahl* (Steel History Club Association) for more than 30 years. The Association has rendered outstanding services to the community at large, especially by designing exhibitions and archiving photographs and objects. To this day, the Association's members make a pivotal contribution to assessments and analyses of the company's history from its beginnings in the years 1938–1945 all the way to current developments.

ERINNERUNGSZEICHEN (SIGNS OF REMEMBRANCE)

Analyzing and appraising its own history is a matter of great importance to the voestalpine Group. In 2014, the Museum of Contemporary History (Zeitgeschichte MUSEUM) created a permanent place of remembrance and memorialization dedicated to the fate of the forced laborers used between 1938 and 1945 in the construction and operation of the Linz plant of the entity named “Reichswerke Hermann Göring AG Berlin.” The city of Linz itself continues to focus on actively re-examining and remembering the period of National Socialism. The artist, Andreas Strauss, won a design competition aiming to create personalized remembrances in public spaces for victims of the Nazis.

His proposal consists of metal stelae with doorbells on which are engraved the last freely chosen residences, the names as well as the dates of birth and death of Jews in Linz who became victims of the Nazis. Apprentices at the Steel Division’s Linz training center will produce these stelae. The artist was keen on including young people in the project. He will collaborate with the apprentices directly so that he can introduce them in greater depth to the project’s backdrop and the remembrances for victims of the Nazi regime.

THE MANAGEMENT BOARD

voestalpine AG

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

Linz, September 07, 2020

voestalpine
ONE STEP AHEAD.



CHINESE

16. APPENDIX

16.1 GRI CONTENT INDEX

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
102	GENERAL DISCLOSURES				
Organizational Profile					
102-1	Name of the organization	●		p. 8	
102-2	Activities, brands, products, and services	●		pp. 12, 16-18	
102-3	Location of headquarters	●		p. 16	
102-4	Location of operations	●		AR pp. 6-7, 216-228	
102-5	Ownership and legal form	●		pp. 15-16	
102-6	Markets served	●		pp. 14-15	
102-7	Scale of the organization	●		p. 14; AR pp. 2, 8-9	
102-8	Information on employees and other workers	●		pp. 82-84	6
102-9	Supply chain	●		pp. 42-47	
102-10	Significant changes to the organization and its supply chain	●		AR pp. 112-116 The ownership and structure of voestalpine are largely unchanged. Changes in the scope of consolidation are described in the AR.	
102-11	Precautionary approach or principle	●		pp. 48-54, 62-64; AR pp. 72-78	
102-12	External initiatives	●		voestalpine is a supporter of the UN Global Compact and of the CDP as well as a signatory of the worldsteel Sustainable Development Charter and the Diversity Charter.	
102-13	Membership in associations and interest groups	●		pp. 118-120	
Strategy					
102-14	Statement from the most senior decision maker	●		pp. 6-7	

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior	●		pp. 26-30, 50-51	10
Governance					
102-18	Governance structure	●		pp. 23, 106; AR pp. 10-13	
Stakeholder Engagement					
102-40	List of stakeholder groups	●		p. 20	
102-41	Collective bargaining agreements	●		p. 57	3
102-42	Identifying and selecting stakeholders	●		p. 20	
102-43	Approach to stakeholder engagement	●		pp. 21-22	
102-44	Key topics and concerns raised	●		pp. 21-24	
Reporting Practice					
102-45	Entities included in the consolidated financial statements	●		p. 9; AR pp. 216-228	
102-46	Definition of report content and topic boundaries	●		pp. 9, 23-24	
102-47	List of material topics	●		p. 24	
102-48	Restatements of information	●		p. 9	
102-49	Changes in reporting	●		There was no significant change in the list of material topics.	
102-50	Reporting period	●		p. 10	
102-51	Date of most recent report	●		p. 10	
102-52	Reporting cycle	●		p. 10	
102-53	Contact person for questions about the report	●		p. 11	
102-54	Statement on the report in accordance with the GRI Standards	●		p. 8	
102-55	GRI Content Index	●		pp. 108-114	
102-56	External audit	●		pp. 122-124	

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
200 Series ECONOMY					
201	Economic Performance				
103	Management approach disclosures	●		pp. 38-41, AR p. 81	7
201-1	Direct economic value generated and distributed	●		AR pp. 32-55, 86-87	
201-2	Financial implications, other risks to, and opportunities for the organization from climate change	●		pp. 34-41, 65	7
201-3	Defined benefit plan obligations and other retirement plans	●		AR pp. 159-165	
204	Procurement Practices				
103	Management approach disclosures	●		pp. 42-47	
204-1	Proportion of spending on local suppliers	●	2	p. 46 Data cannot be reported in full due to non-disclosure agreements.	
205	Anti-Corruption				
103	Management approach disclosures	●		pp 48-54	10
205-2	Communication and training on anti-corruption policies and procedures	●	4	p. 53 A complete, quantitative evaluation will be performed during the next business year.	10
206	Anti-Competitive Behavior				
103	Management approach disclosures	●		pp. 48-54	
206-1	Litigation related to anti-competitive behavior, anti-trust, and monopoly practices	●		AR. pp. 166-167	
300 Series ECOLOGY					

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
301	Materials				
103	Management approach disclosures	●		pp. 62-65, 76	8
301-2	Recycled input materials used	●		p. 76	8
302	Energy				
103	Management approach disclosures	●		pp. 62-65, 78	7, 8
302-1	Energy consumption within the organization	●		pp. 78-79	7, 8
302-3	Energy intensity	●		p. 79	8
303	Water				
103	Management approach disclosures	●		pp. 62-65, 75	7, 8
303-1	Water withdrawal by source	●		p. 75	7, 8
303-2	Water sources significantly affected by withdrawal of water	●		p. 75	8
305	Emissions				
103	Management approach disclosures	●		pp. 34-41, 62-65, 69-70	7, 8, 9
305-1	Direct GHG emissions (Scope 1)	●		p. 70 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8
305-2	Indirect energy-related GHG emissions (Scope 2)	●		p. 70 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8
305-3	Other indirect GHG emissions (Scope 3)	●		p. 70 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
305-5	Reduction of GHG emissions	●		pp. 24-41, 66-68 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	8, 9
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	●		pp. 69, 71-74	7, 8
306	Effluents and Waste				
103	Management approach disclosures	●		pp. 62-65, 75-76	8
306-1	Wastewater discharge by quality and destination	●		p. 75	8
306-2	Waste by type and disposal method	●		pp. 76-77	8
308	Supplier Environmental Assessment				
103	Management approach disclosures	●		pp. 42-47	8
308-1	New suppliers that were screened using environmental criteria	●		All new and existing raw materials suppliers for steel production were screened using environmental criteria.	8
400 Series	SOCIAL MATTERS				
401	Employment				
103	Management approach disclosures	●		pp. 80, 91 http://www.voestalpine.com/group/en/jobs/working-at-voestalpine/	6
401-1	New hires and employee turnover	●	1	p. 85 Collection of detailed data is not relevant to the company for controlling purposes. Hence the data are not reported in full pursuant to GRI.	6
403	Occupational Health and Safety				
103	Management approach disclosures	●		pp. 98-99, 103	

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
403-2	Types and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	●	1	pp. 100-102 Collection of detailed data is not relevant to the company for controlling purposes. Hence the data are not reported in full pursuant to GRI.	
404	Training and Continuing Education				
103	Management approach disclosures	●		pp. 80, 92-95	6
404-1	Average hours of training and continuing education per year and employee	●	4	p. 92 No detailed, Group-wide database is available.	6
404-2	Programs for upgrading employee skills and transition assistance programs	●		pp. 92-96	6
405	Diversity and Equal Opportunity				
103	Management approach disclosures	●		pp. 80, 86-87	6
405-1	Diversity in governance bodies and among employees	●		pp. 87-90; AR pp. 10-13	6
407	Freedom of Association and Collective Bargaining				
103	Management approach disclosures	●		pp. 56-57 Code of Conduct for Business Partners https://www.voestalpine.com/group/en/group/compliance/code-of-conduct-for-voestalpine-business-partners/ CDP: https://www.cdp.net/en	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	4	p. 57 No detailed, Group-wide database is available due to the scale of the global supplier network.	3
414	Supplier Social Assessment				
103	Management approach disclosures	●		pp. 42-47	2
414-1	New suppliers that were screened using social criteria	●		All new and existing raw materials suppliers for steel production were screened based on social criteria.	2

GRI Code	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
415	Public Policy				
103	Management approach disclosures	●		pp. 48-54	10
415-1	Political contributions	●		In the reporting period, voestalpine did not make any donations or other contributions to politicians and political parties.	10

LEGEND

- Fully reported
- Partly reported

Annual Report 2019/20

UNGC As a participant in the UN Global Compact, voestalpine is obliged to publish an annual progress report. The column having the UNGC designation shows the information available for each of the ten principles.

Reasons for omission:

- 1 - Not applicable
- 2 - Limited due to non-disclosure agreements
- 3 - Explicit legal prohibitions
- 4 - No information available

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UN GLOBAL COMPACT— THE 10 PRINCIPLES

HUMAN RIGHTS

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

LABOR STANDARDS

- Principle 3: Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and bonded labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENTAL PROTECTION

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANIT-CORRUPTION

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

WE SUPPORT



SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) were drawn up by a United Nations working group, together with thousands of stakeholders, and adopted by a UN General Assembly resolution during the United Nations Sustainable Development Summit in New York on September 25, 2015. 193 UN member states have signed on to the 17 goals and 169 targets for global sustainable development along with their specific objectives.

The SDGs were implemented as of January 1, 2016, and are designed to cover a period of 15 years (up to 2030). The role of the private sector in reaching these goals was made particularly explicit.

Through its business activities, voestalpine contributes significantly to achieving the following 12 SDGs:

- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 16: Peace, justice, and strong institutions
- Goal 17: Partnerships for the goals

16.2 MEMBERSHIPS

voestalpine AG and its Group companies are members of numerous federations, trade and other associations, and special interest groups; they also participate in working groups or work on projects through their employees. The following provides a selection of the memberships that are relevant with respect to Corporate Responsibility (CR).

Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (German Association for Occupational Pensions, ABA)	Germany
Altstoff Recycling Austria Verein (ARA)	Austria
ARGE OÖ Arbeitsstiftungen (Upper Austria Employee Funds for Senior Homes)	Austria
Associação de Recursos Humanos (ARH Serrana)	Brazil
The Austrian Society for Metallurgy and Materials (ASMET)	Austria
Austrian Standards Institute (ASI)	Austria
Allgemeine Unfallversicherungsanstalt (AUVA)	Austria
B.C. Human Resources Management Association	Canada
Berufliches Bildungs- und Rehabilitationszentrum (Vocational Training and Rehabilitation Center, BBRZ)	Austria
Beijing HR Association	China
Bergmännischer Verband Österreichs (Austrian Miners Association)	Austria
Betriebsforschungsinstitut (BFI)	Austria
British Standards Institution (BSI)	Great Britain
Christian Doppler Forschungsgesellschaft (a research institute, CDG)	Austria
Certified Human Resources Professional	Canada
Compliance Institute of Southern Africa (CISA)	South Africa
COMET / K1-MET	Austria
Compliance Link	Great Britain
Compliance Praxis - Compliance Netzwerk Österreich (Compliance Practice and Network)	Austria

Dachverband der arbeitsmedizinischen Zentren Österreichs (Umbrella Organization of Austria's Occupational Health and Safety Centers)	Austria
Deutsche Gesellschaft für Personalführung e.V. (German Society for HR Management, DGFP)	Germany
European Green Vehicles Initiative (EGVI)	Belgium
EMAS	Austria
European Steel Technology Platform (ESTEP)	Belgium
The European Steel Association (EUROFER)	Belgium
European Wind Energy Association	Belgium
Austrian Research Promotion Agency (FFG)	Austria
Forschungsvereinigung Stahlanwendung e.V. (Research Association for Steel Applications, FOSTA)	Germany
Hong Kong People Management Association	China
International High Speed Steel Research Forum (HSS Forum)	Germany
Informelle Plattform österreichischer Arbeitsstiftungen (Informal Platform of Austrian Labor Funds)	Austria
Institute of Safety Management	USA
Kepler Society JKU	Austria
Korean Employers Federation	South Korea
Austrian Business School GmbH (LIMAK)	Austria
Montanhistorischer Verein Österreich (Historical Mining Association Austria)	Austria
National Association of Railway Business Women (NARBW)	USA
National Employers Organisation of South Africa (NEASA)	South Africa
Nederland CO2 Neutraal	Netherlands
Österreichische Gesellschaft für Arbeitsmedizin (Austrian Society for Occupational Safety and Health, ÖGA)	Austria
Österreichische Vereinigung für Qualitätssicherung (ÖVQ)	Austria
Österreichischer Arbeitskreis für Corporate Governance	Austria
Austria's Energy	Austria
Photovoltaic Austria Federal Association (PV AUSTRIA)	Austria

Bundesverband der PhysiotherapeutInnen Österreichs (Federal Association of Austria's Physiotherapists, Physio Austria)	Austria
Austrian Business Council for Sustainable Development (respACT)	Austria
ResponsibleSteel	Australia
Research Fund for Coal and Steel (RFCS)	Belgium
Rail Forum Europe (RFE)	Belgium
Rat für Forschung und Technologie für Oberösterreich (Council for Research & Technology in Upper Austria, RFT OÖ)	Austria
Royal Society for the Prevention of Accidents (RoSPA)	Great Britain
Shanghai Institute of Labor and Social Security	China
Singapore National Employers Federation	Singapore
SPIRE - Sustainable Process Industry through Resource and Energy Efficiency	Belgium
Stifterverband für die Deutsche Wissenschaft e.V.	Germany
The Employers Association of Indonesia (APINDO)	Indonesia
The Women Secretaries & Administrative Professionals Association of Thailand	Thailand
TU Graz Forum Technik und Gesellschaft	Austria
Verein Deutscher Eisenhüttenleute	Germany
Verein KEPLER SOCIETY	Austria
Verein zur Förderung des Instituts für Umweltrecht	Austria
Vffi - Verein zur Förderung von Forschung und Innovation (Unterausschuss IV)	Austria
WIFI OÖ GmbH, Forum Arbeit & Personal	Austria
WingNet TU Wien	Austria
worldsteel - World Steel Association	Belgium
UNGC – United Nations Global Compact	USA
UNIMC – Uni Management Club Linz	Austria
VDEh – Stahlinstitut VDEh	Germany
VÖSI – Verband Österreichische Sicherheits-Ingenieure	Austria
WTCM – Forschungsgesellschaft für die technologische Industrie	Belgium

16.3 GLOSSARY

CMRT	Conflict Minerals Reporting Template
CO ₂ e	CO ₂ equivalents: unit of measurement for standardizing the climate impact of various greenhouse gases (CO ₂ , methane, and nitrous oxide)
Conflict-free	Conflict-free raw materials as defined in the Dodd-Frank Act
Conflict minerals	Raw materials mined or extracted in conflict or high-risk regions
Corporate Governance: L rules C rules R rules	Rule categories pursuant to the Austrian Corporate Governance Code: Legal requirement (L rule): The rule is based on mandatory statutory provisions. Comply or explain (C rule): The rule should be complied with; any deviation therefrom must be explained and justified in order to be in compliance with the Code. Recommendation (R rule): Rule worded as a recommendation; non-compliance need not be disclosed or explained. (Source: Austrian Corporate Governance Code as amended July 2012, Austrian Working Group for Corporate Governance, www.corporate-governance.at)
Dodd-Frank-Act	U.S. federal law. Requires companies to avoid using raw materials from conflict regions
EBIT	Earnings before interest and taxes (Earnings before taxes, equity interests of non-controlling shareholders, and financial result)
EBITDA	Earnings before interest and taxes, depreciation, and amortization (Earnings before taxes, equity interests of non-controlling shareholders, financial result, and amortization)
EMAS	Eco Management and Audit Scheme Regulation of the European Parliament and of the Council on the voluntary participation of organizations in a Community eco-management and audit scheme
FTEs (full-time equivalents)	Number of full-time positions, computed (mathematically speaking) on the basis of a staffing mix that includes part-time employees
Headcount	Number of employees by headcount
Load per annum	The amount of certain substances that are introduced into wastewater or the air, aggregated over the year
Life cycle assessment (LCA)	Systematic analysis of the environmental impact of products during their entire life cycle aimed at achieving an objective assessment subject to consideration of economic, social, and technical factors
Scope 1, 2, and 3	Emissions categories in accordance with the Greenhouse Gas Protocol
USMCA	United States-Mexico-Canada Agreement, successor agreement to the NAFTA free trade zone

16.4 INDEPENDENT ASSURANCE REPORT

Deloitte.

To the management board of
voestalpine AG
Linz

Courtesy Translation of the Independent Assurance on Non-Financial Reporting*

Introduction

We performed procedures to obtain limited assurance, if the consolidated non-financial report as of March 31, 2020 was prepared in accordance with the reporting criteria. The reporting criteria include the Sustainability Reporting Standards (GRI Standards: Core Option) issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB (Austrian Commercial Code).

Responsibility of the management

The preparation of the report in accordance with the reporting criteria as well as the selection of the scope of the engagement is the responsibility of the management of voestalpine AG. The reporting criteria include the Sustainability Reporting Standards (GRI Standards: Core Option) issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB.

This responsibility of the management includes the selection and application of appropriate methods for preparing the report as well as the usage of assumptions and estimates of individual non-financial disclosures that are appropriate under the given circumstances. The responsibility of the management includes further designing, implementing and maintaining internal controls, which they have determined necessary for the preparation of a report that is free from material misstatements – whether due to fraud or error.

Deloitte.

Responsibility of the auditor

Our responsibility is to express an opinion with limited assurance on whether, based on our audit procedures, matters have come to our attention that cause us to believe that the consolidated non-financial report has not been prepared, in all material respects, in accordance with the reporting criteria. The reporting criteria include the Sustainability Reporting Standards (GRI Standards: Core Option) issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) in order to obtain limited assurance on the subject matters. This standard requires us to comply with our professional requirements, including independence requirements, and to plan and perform the engagement based on materiality considerations in a way that enables us to express a conclusion with limited assurance.

In a limited assurance engagement, the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance can be obtained. The choice of audit procedures lies in the due discretion of the auditor.

As part of our audit, we have performed, inter alia, the following audit procedures and other activities as far as they are relevant to the limited assurance engagement:

- Interview of the employees named by voestalpine AG regarding the sustainability strategy, sustainability principles and sustainability management
- Interview of employees of voestalpine AG to assess the methods of data collection, data processing and internal controls
- Comparison of the reported non-financial disclosures with the calculation documents provided
- Furthermore, we conducted procedures regarding whether the reporting requirements of § 267a UGB were met with the consolidated non-financial report.

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Summarized Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the consolidated non-financial report has not, in any material aspects, been prepared in accordance with the reporting criteria of the Sustainability Reporting Standards (GRI Standards: Core option).

Furthermore, nothing has come to our attention that causes us to believe that the reporting requirements of § 267a UGB are not met with the consolidated non-financial report, although it should be noted that the key figures on energy consumption and emissions are reported by calendar year instead of fiscal year.

Engagement approach

The basis for this engagement are the "General Conditions of Contract for the Public Accounting Professions," ("Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe", "AAB 2018") as issued by the Austrian Chamber of Tax Advisers and Auditors on April 18th, 2018. In accordance with chapter 7 of the AAB 2018, our liability shall be limited to intent and gross negligence. In cases of gross negligence, our liability is limited to a maximum of five times the auditor's fee. This amount constitutes a total maximum liability cap, which may only be utilized once up to this maximum amount, even if there is more than one claimant or more than one claim has been asserted.

Vienna, September 7th, 2020

Deloitte Audit Wirtschaftsprüfungs GmbH

Christof Wolf
Austrian Certified Public Accountant

Marieluise Krimmel
Austrian Certified Public Accountant

*) **Attention:** This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

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Imprint

Owner and media proprietor: voestalpine AG, voestalpine-Strasse 1, 4020 Linz, Austria

Publisher and editorial staff: voestalpine AG, Corporate Responsibility, T. +43/50304/15-6599
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Design and implementation: 7 Punkt Communication Group GmbH, www.7punkt.at



