

CORPORATE
RESPONSIBILITY
REPORT

2019

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1. PREFACE

**Ladies and Gentlemen:
Dear Readers:**

“The Wind of Change” was the title of an EU seminar on the use of energy in the steel industry. But this expression could also be taken as the motto for the present Corporate Responsibility Report (CR Report) because, just like other industrial conglomerates, voestalpine too is faced with the challenge of having to respond to increasingly rapid changes in its business environment. What is even more important, however, is the need to contribute proactively to sustainable technologies.

In recent years, voestalpine has had to radically redefine its understanding of the concept of responsibility, with the result that its focus has shifted. The evolution from a conventional steelmaker to a global technology group probably was the biggest change. At this level, it is no longer enough for the company to fulfil statutory requirements and act responsibly within the confines of its facilities. Today, our approach in terms of both time and geography is much broader. Our task now is not only to predict customers’ needs through our research, but also to break new ground—particularly in ecological terms.

voestalpine’s quest to minimize emissions in production has been integral to our activities for quite some time. The challenge is to help our suppliers and partners adopt the high standards that we set for ourselves.

As far as our employees are concerned, nowadays our responsibilities go far beyond the specific work process. Our human resources activities encompass training and continued education, the promotion of women, the integration of people of different nationalities, and the promotion of employee health.

Our expanded understanding of “corporate responsibility” (CR) poses major challenges for us. This makes cooperation projects ever more important, whether as part of the UN Global Compact (UNGC) or ResponsibleSteel, an industry initiative that we help shape in crucial ways.

I can say with a good conscience that we are well positioned when it comes to both sustainability and responsibility. Not only has voestalpine developed a detailed strategy with respect to corporate responsibility, which was introduced

in last year's CR Report, the issue has also been firmly established as part of its overall corporate strategy. This ensures that corporate responsibility is taken into account from the start in all decisions, all planning, and all reporting processes.

At this point, I want to highlight a few areas that saw intense activity this past year. H2FUTURE, our contribution to the development of technologies aimed at producing steel in ways that lower CO₂ emissions, is particularly important. Our related EU showcase project in Linz will launch demonstration operations shortly.

It goes without saying that electromobility is a major issue for us, given our position as an important supplier to the automotive industry. This is evident from the extensive resources that we have devoted to (and continue to spend on) the development of new products in this area as well as from our sponsorship of the Formula E.

As part of the Sustainable Supply Chain Management (SSCM) project, both our suppliers and our partners are regularly reviewed based

on carefully elaborated criteria. This is an important aspect of our quest to secure the high standards we have defined for ourselves.

Of particular importance are our committed employees who, in their great diversity, contribute their talent with great enthusiasm. Without them, voestalpine would not be as well positioned for future challenges as it is today. It is critical to voestalpine to be considered an attractive employer, so that it can attract young talent to the company and maintain the loyalty of employees who have rendered outstanding services to us. As a company that operates production plants, workplace safety naturally is an important issue that we take very seriously. We are very pleased to be able to report on positive developments in this respect also.

Even though the current situation on the world political stage does not offer much hope for optimism, I am convinced that our corporate responsibility strategy prepares us well for the future and that our employees, with their commitment and enthusiasm, will contribute toward achieving our goals.

Dipl.-Ing. Herbert Eibensteiner
Chairman of the Management Board
CEO of voestalpine AG

2. ABOUT THIS REPORT

This is the fourth Group-wide Corporate Responsibility Report (CR Report) of voestalpine AG. It contains information and data on the company's activities, performance, and goals in the context of sustainable development. The CR Report gives voestalpine's stakeholders insight into the Group's business activities and shows how the company puts its corporate responsibility into practice.

STANDARDS AND SPECIFICATIONS

The present CR Report was prepared in accordance with the Sustainability Reporting Standards (the "Core" option) of the Global Reporting Initiative (GRI). These Standards are the most widely used and accepted framework for sustainability reporting worldwide. The GRI Index in the Appendix gives a detailed overview of the GRI Standards that are covered by this CR Report and shows where the respective information can 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 anti-corruption. The present CR Report documents the implementation of the UN Global Compact Principles within voestalpine and thus serves as the required "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 is fulfilling the requirements of the NaDiVeG.

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. When compiling the environmental performance indicators, the roughly 130 voestalpine production companies—i.e., those that process, convert, or treat a product—in which voestalpine has a stake greater than 50% were considered. This limitation of the 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 have been 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 taking into account sustainability requirements. 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

Aside from its crude steel production facilities in both Linz and Donawitz, voestalpine has been operating a direct reduction (HBI) plant in Corpus Christi, Texas, USA, since the fall of 2016. The company also produces components at several sites from steel, a portion of which is externally sourced. As a result, crude steel production has not been the benchmark for determining the specific environmental performance

indicators since 2017; the production volume is used instead. Besides the weight of both the crude steel and the sponge iron produced, this variable also includes the weight of the externally sourced steel products. Accordingly, since 2017 the specific indicators have been 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 this CR Report (see 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 2018/19 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 2018 is the reporting period for the environmental performance indicators. In each case, the past five business and/or calendar years are shown 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 Report’s key figures and facts, is also

published annually and simultaneously with the CR Report.

AUDIT AND CONFIRMATION

Grant Thornton Unitreu GmbH, an Austrian auditing and tax consulting firm, audited the Report as to compliance with both the GRI Standards and the requirements of the Austrian

Sustainability and Diversity Improvement Act. See the Independent Assurance Report in the Appendix for further information on the audit and confirmation of the present CR Report.

STYLE AND LANGUAGES

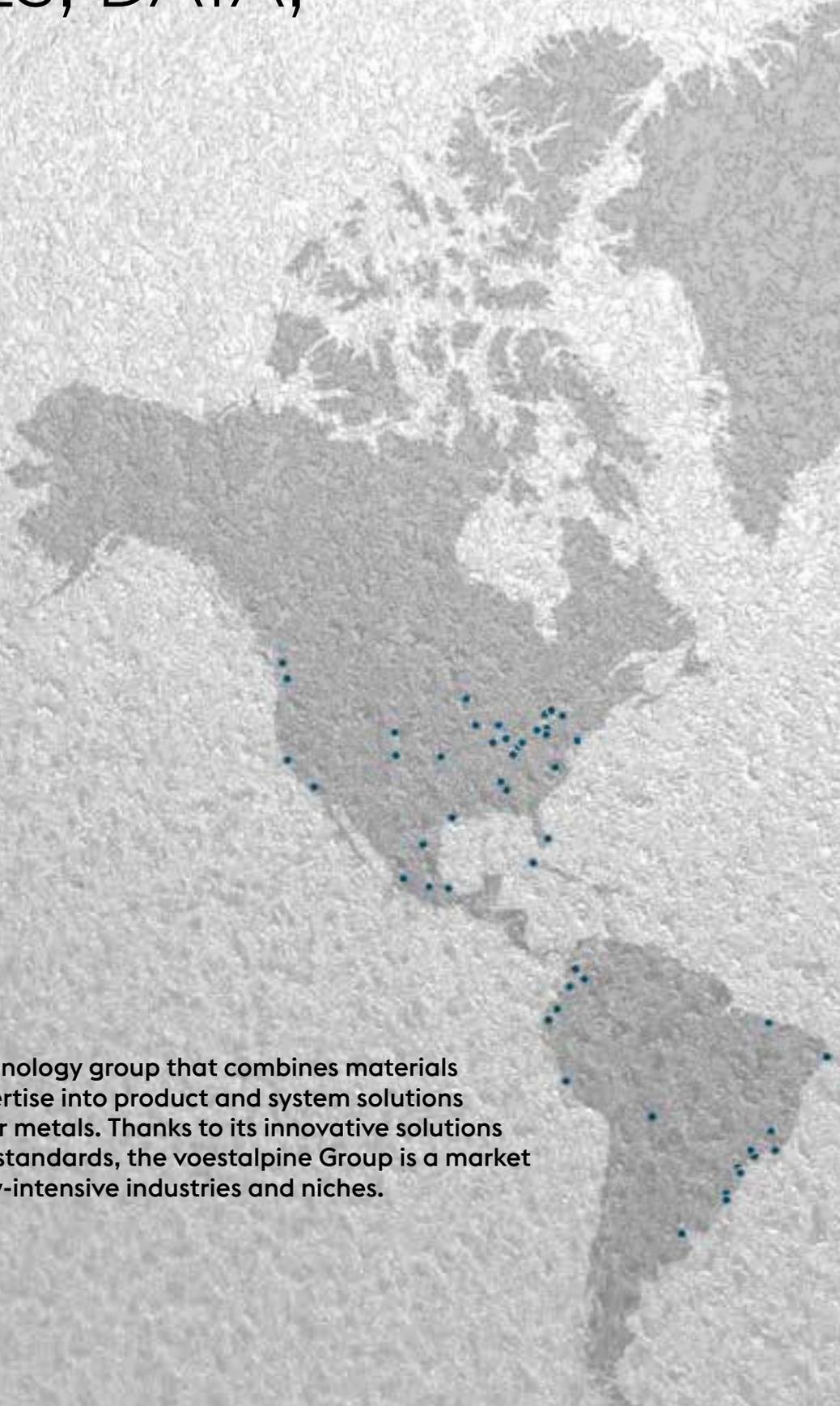
To improve legibility, gender-specific wording has been omitted. As a result, the masculine form is used where necessary to simplify matters even when both genders are meant.

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

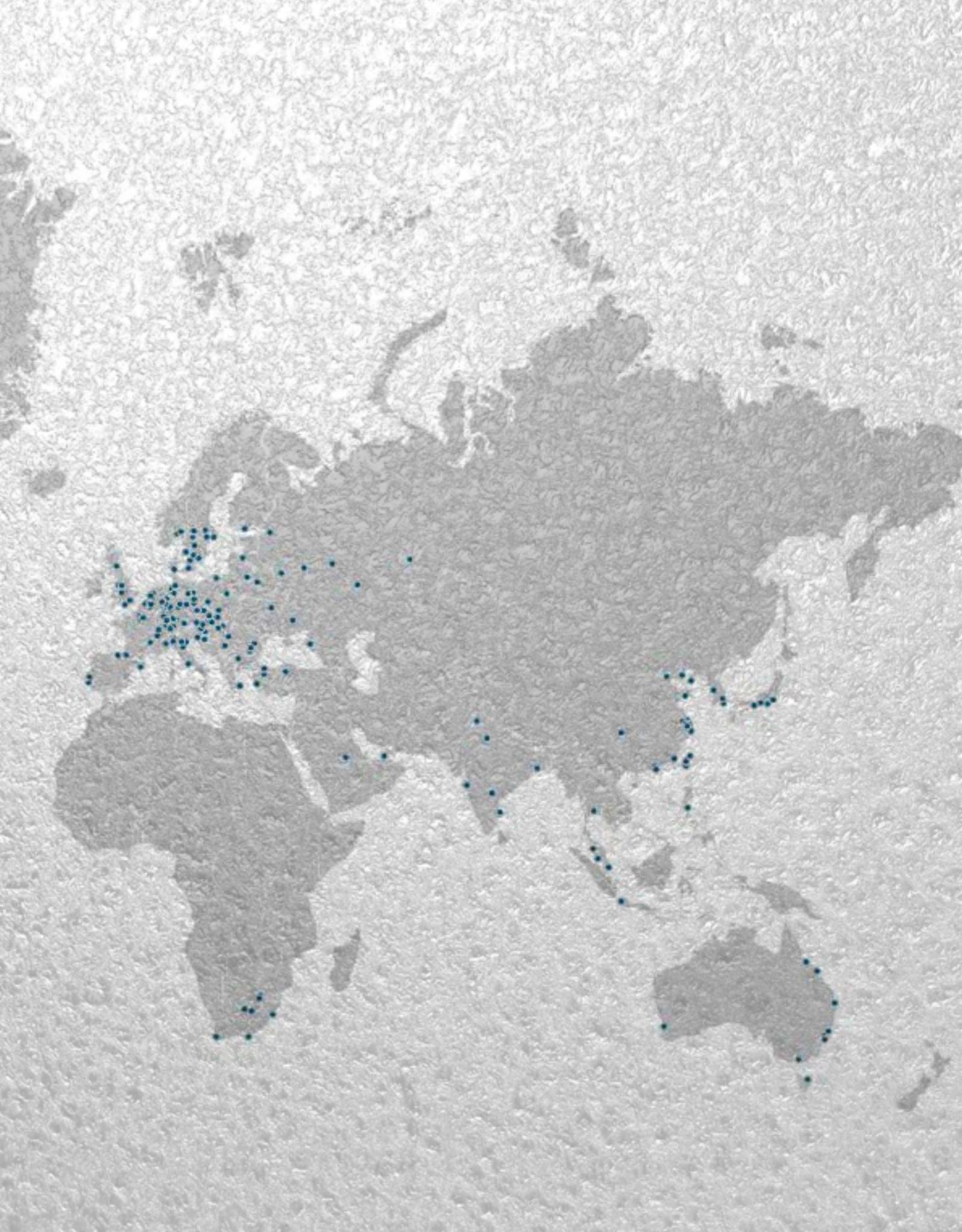
DESIGN

The design of the present Corporate Responsibility Report is based on 3D artwork of the atoms of the alloy elements that are used in voestalpine's production process.

3. FIGURES, DATA, FACTS

A stylized world map is centered on the right side of the page. The map is rendered in a light gray tone and features numerous small blue dots scattered across its surface, representing various global locations or data points. The background of the entire page is a light, textured gray.

voestalpine is a technology group that combines materials and processing expertise into product and system solutions using steel and other metals. Thanks to its innovative solutions and highest quality standards, the voestalpine Group is a market leader in technology-intensive industries and niches.

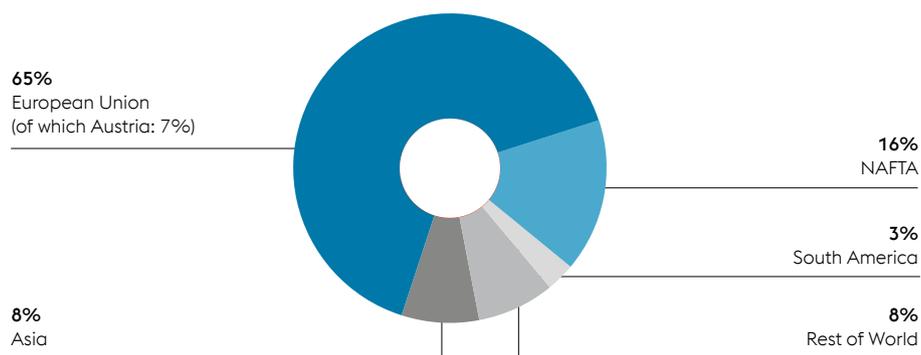


3.1 DEVELOPMENT OF THE KEY FIGURES

In millions of euros	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue	11,189.5	11,068.7	11,294.5	12,897.8	13,560.7
EBITDA	1,530.1	1,583.4	1,540.7	1,954.1	1,564.6
EBITDA margin	13.7 %	14.3 %	13.6 %	15.2 %	11.5 %
EBIT	886.2	888.8	823.3	1,180.0	779.4
EBIT margin	7.9 %	8.0 %	7.3 %	9.1 %	5.7 %
Employees (FTE)	47,418	48,367	49,703	51,621	51,907
Research expenditures	126.7	131.8	140.3	152.0	170.5
Operating expenses for environmental protection facilities in Austria	222.0	237.0	231.0	258.0	299.1
Environmental investments for production facilities in Austria	43.0	55.0	46.0	40.0	66.0
Crude steel production (in millions of tons)	7,929	7,733	7,596	8,140	6,895

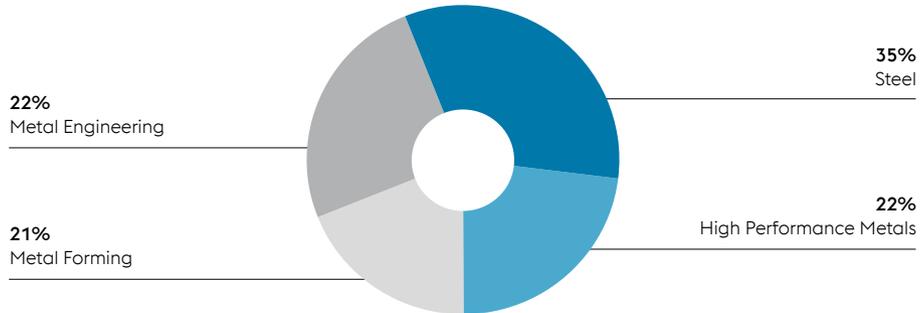
REVENUE BY REGION

As a percentage of Group revenue, business year 2018/19



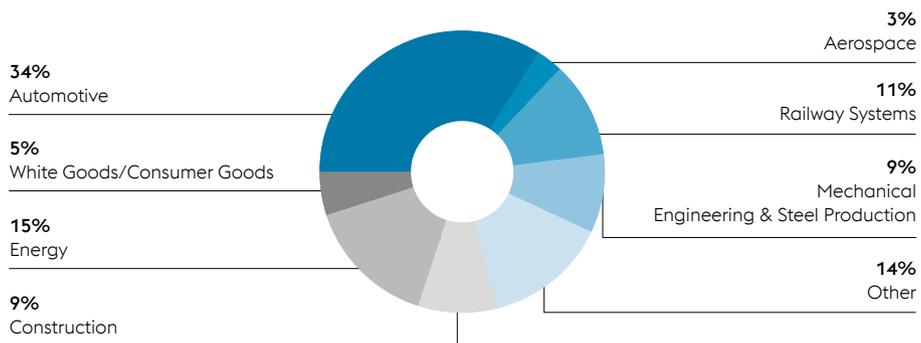
REVENUE BY DIVISION

As a percentage of total divisional revenue, business year 2018/19



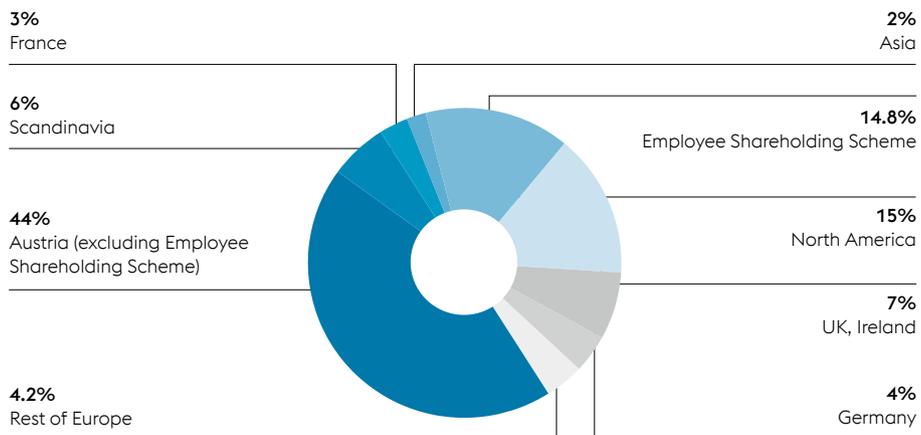
REVENUE BY INDUSTRY

As a percentage of Group revenue, business year 2018/19



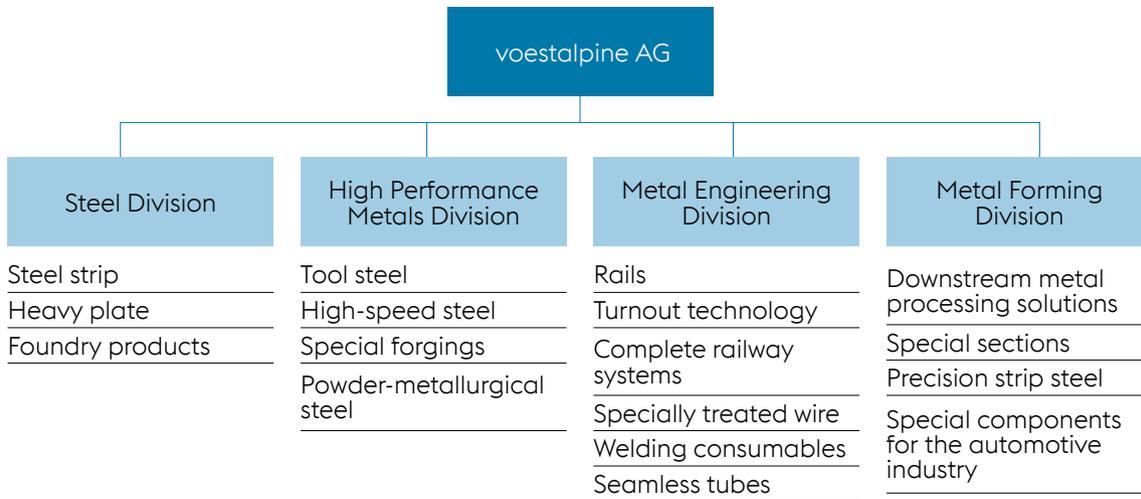
SHAREHOLDER STRUCTURE

In percent, as of the close of the business year 2018/19



3.2 THE FOUR DIVISIONS

The voestalpine Group does business in more than 50 countries on all five continents. Its four divisions encompass 500 Group companies. The Group is headquartered in Linz, Austria.



3.2.1 STEEL DIVISION

In its capacity as the division of the voestalpine Group that generates the highest revenue, the Steel Division is the quality leader with respect to 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 Steel 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 downstream Steel & Service Center and Logistics Service. The 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.

The Steel Division is the first point of contact for major automotive manufacturers and suppliers with respect to strategic product development and supports its customers globally. Moreover, it also is a key partner of the European white goods and mechanical engineering industries. The division produces heavy plate that is used by the renewable energy industry as well as by the oil & natural gas industries 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. It 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. Thanks to its unique, global network of sales and service centers, the High Performance Metals Division offers its customers material availability and processing as well as local contacts.

The division manufactures long products, precision steel strip as well as open-die forge and drop-forge parts made of special steel. 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 industries as well as in aerospace. As far as the latter is concerned, the division is its leading supplier worldwide of materials and components for jet engines, aircraft engine mounts, 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.

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 bundles the voestalpine Group's activities with respect to long products in the steel, rail, wire, and seamless tube segments. It is the global market leader in turnout technology and associated signaling technology as well as the European market leader in premium rails and quality wire. Moreover, the division is considered the leading provider of high-quality welding consumables.

It operates its own steel production facilities and manufactures the world's broadest range of high-quality 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 complete range of logistics and services for the rail and turnout technology product segments, including planning, shipping, logistics, installation, and recycling.

The railway systems industry, the oil and natural gas industries as well as the automotive, mechanical engineering, and construction industries are its most important customer segments.

For more information on the Metal Engineering Division, visit

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

3.2.4 METAL FORMING DIVISION

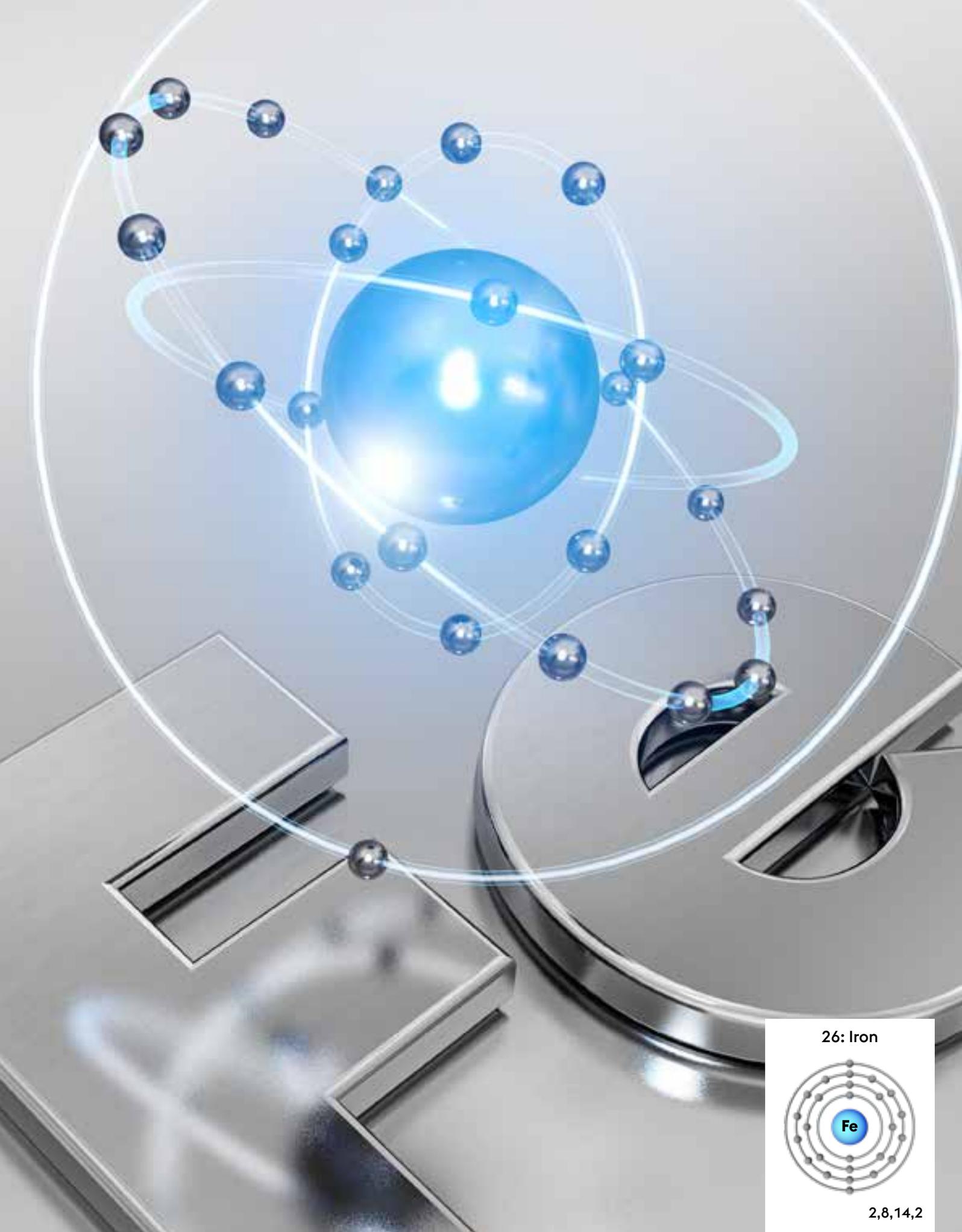
The Metal Forming Division is voestalpine's competence center for highly developed special sections, tube, and precision strip steel products as well as for pre-finished system components made of pressed, stamped, and roll-formed parts of the highest quality. This combination of expertise in materials and processing, which is unique in the industry, and the division's global presence make it the partner of choice for customers focused on innovation and quality.

Aside from customer-specific tailored tubes and sections as well as precision steel tubes, the Metal Forming Division also supplies pioneering automotive body parts for lightweight construction solutions to the automotive industry and its suppliers. It also produces cold-rolled special strip steel for the most advanced applications. Furthermore, the division is known as a provider of intelligent rack system solutions for complex logistics challenges.

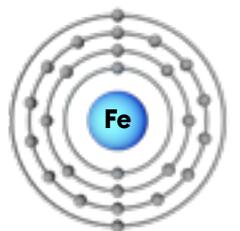
Its flexible, mid-sized units offer its customers rapid problem-solving expertise in all stages of the development and production process. The division's customers include practically all of the leading manufacturers in the automotive and automotive supplier industries (with a definite focus on the premium 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 stands out both due to its international presence 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/>



26: Iron



2,8,14,2

4. STAKEHOLDER AND CR MANAGEMENT

voestalpine has numerous stakeholders with different interests and concerns. An important task of the company's management is thus to maintain relationships with them, to take up their concerns, and to reconcile divergent interests as best as possible. This orientation toward stakeholders has been the basis of voestalpine's successful and sustained development in the past and will become ever more important in the future.



Management of communities bordering the new special steel plant

voestalpine is building a state-of-the-art special steel plant in Kapfenberg, Austria, for supplying the most demanding customer segments. To engage in a dialogue with the local stakeholders, a comprehensive community management plan was developed even before the groundbreaking ceremony in 2018. The aim is to tie the local population proactively into the project, encourage a dialogue, and create a positive environment at the new site through established processes.

The project has its own website and dedicated phone number, and regular office hours and information events are scheduled as well. Display cases and a webcam provide information about the status of the construction work. The affected communities are notified early on of potential problems (e.g., excess noise), and complaints if any are handled rapidly on an individual basis through on-site visits.

4.1 STAKEHOLDER COMMUNICATION

Through its Management Board as well as executive and non-executive personnel, voestalpine is in regular contact with the stakeholder groups enumerated below. Numerous opportunities such as expert discussions and roundtables, conferences, trade shows as well as analyst and investor meetings are used to this end. Both the employee survey, which is conducted on a regular basis, and annual employee performance reviews are important settings for structured

communications with internal stakeholders. voestalpine is also represented on a wide variety of bodies serving advocacy groups, trade associations, lobbying campaigns, and platforms.

During the reporting period, communications with individual stakeholder groups took place in various settings and with respect to various topics as described below.

4.1.1 EMPLOYEES

The voestalpine Group currently has a global workforce of just under 52,000 people. In addition to annual employee performance reviews that are conducted with about 67% of the workforce, the employee survey that is carried out every three years (with the next one scheduled for the fall of 2019) plays a key role in this connection.

Following the last employee survey in 2016, a variety of measures were implemented with respect to issues such as information & communication, career development opportunities, and identification/employer.

4.1.2 CUSTOMERS AND SUPPLIERS

voestalpine maintains very open and close relationships with all of its business partners. Many of them are of long standing and form the basis of trustful and transparent cooperation. In turn, this enables the development of new processes and products that meet the requirements of all parties involved and ensure the responsible use 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 the terms and conditions. Technical visits and viewings of the production facilities also take place on a regular basis. For more information on this issue, please see the chapter "Transparency in the Supply Chain."

4.1.3 ANALYSTS AND INVESTORS

voestalpine AG has been listed on the Vienna Stock Exchange since 1995. Institutional investors and analysts are among the company's key stakeholder groups. The members of voestalpine's Management Board and the managers of its Investor Relations department maintain close relationships with the company's shareholder representatives and investors through investor conferences, roadshows as well as individual visits in order to discuss current issues and the market situation. As regards sustainability, climate-relevant emissions are

among the key topics discussed with analysts and investors. Specifically, this concerns ways to represent the Group's CO₂ emissions and options for reducing them in the future—also taking into account the resulting negative impact on costs. 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 INSTITUTIONS AND UNIVERSITIES

Working closely with universities and research institutions is essential, particularly in the field of research and development. voestalpine supports outstanding dissertations, master's theses, and research projects; it also endows

professorships. The company's Management Board regularly attends special student events at institutions such as the Montanuniversität Leoben to answer questions from the students.

4.1.5 NGOS, ADVOCACY AND SPECIAL INTEREST GROUPS, AND PLATFORMS

Representatives of voestalpine belong to various working groups and committees of special interest groups and platforms such as EUROFER, worldsteel, ASMET, and Estep. They contribute voestalpine's knowledge of and opinions on a wide variety of issues during EU consultations.

There are intensive, fact-based exchanges with NGOs, especially with respect to environmental issues such as energy and climate policies.

Since April 2019, voestalpine AG has been a member of ResponsibleSteel, an initiative that focuses on the sustainable production of steel and the sustainable procurement of both raw and other materials. voestalpine actively engages in the ongoing development of the standard on which this policy initiative is based.

4.2 CORPORATE RESPONSIBILITY MANAGEMENT

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

Issues that stakeholders bring to the attention of voestalpine or that appear to be particularly important in the ongoing sustainability debate are regularly discussed on the Corporate Responsibility Steering Committee.

This Committee, which is chaired by the company's CEO, comprises the heads of the Group departments Compliance, Legal, Environment, Research, Communication, Human Resources, health & safety, Investor Relations, Procurement and Raw Materials Procurement as well as International Business Relations.

In its function as a management unit, Corporate Responsibility is a part of Investor Relations. The CR Manager represents voestalpine at a broad range of events and initiatives related to corporate responsibility and sustainability. As stated above, the company is a member of ResponsibleSteel, a non-profit initiative that is developing a standard for the sustainable development of the entire steel chain—from the mining of ore all the way to the end consumer—in a multi-stakeholder dialogue. As a delegate of voestalpine, the CR Manager participates in the preparation of this standard.

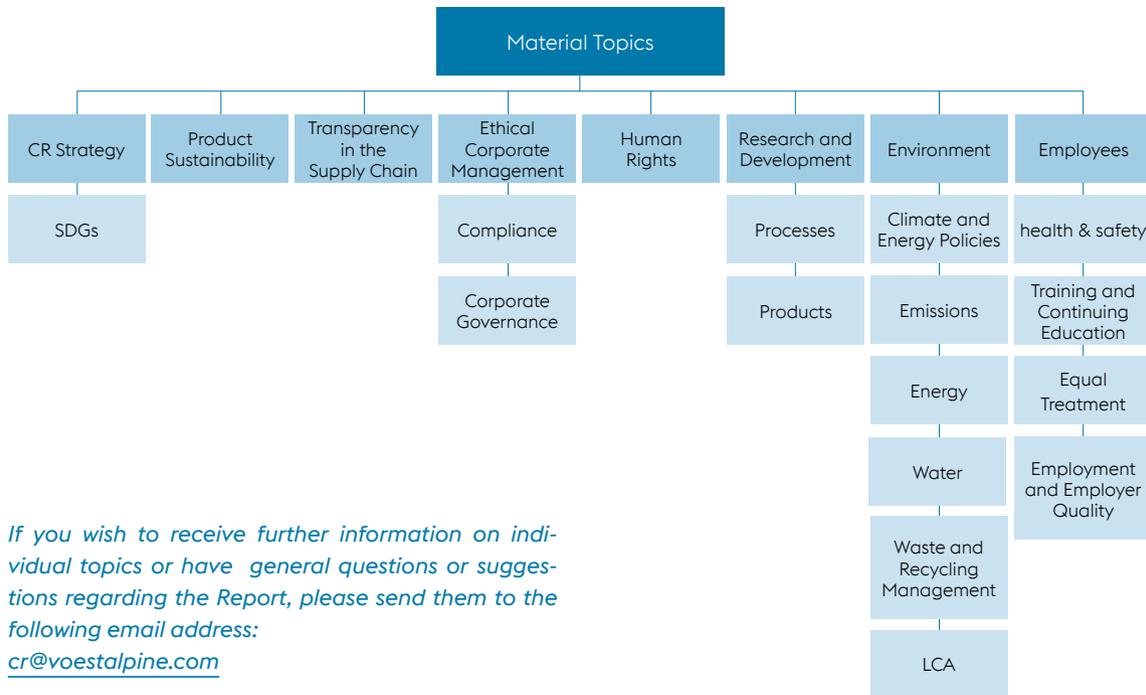
These intensive, bilateral exchanges between the CR Manager and the department managers—within the divisions and at the level of the holding company—serve to debate both current and particularly important issues of sustainability.

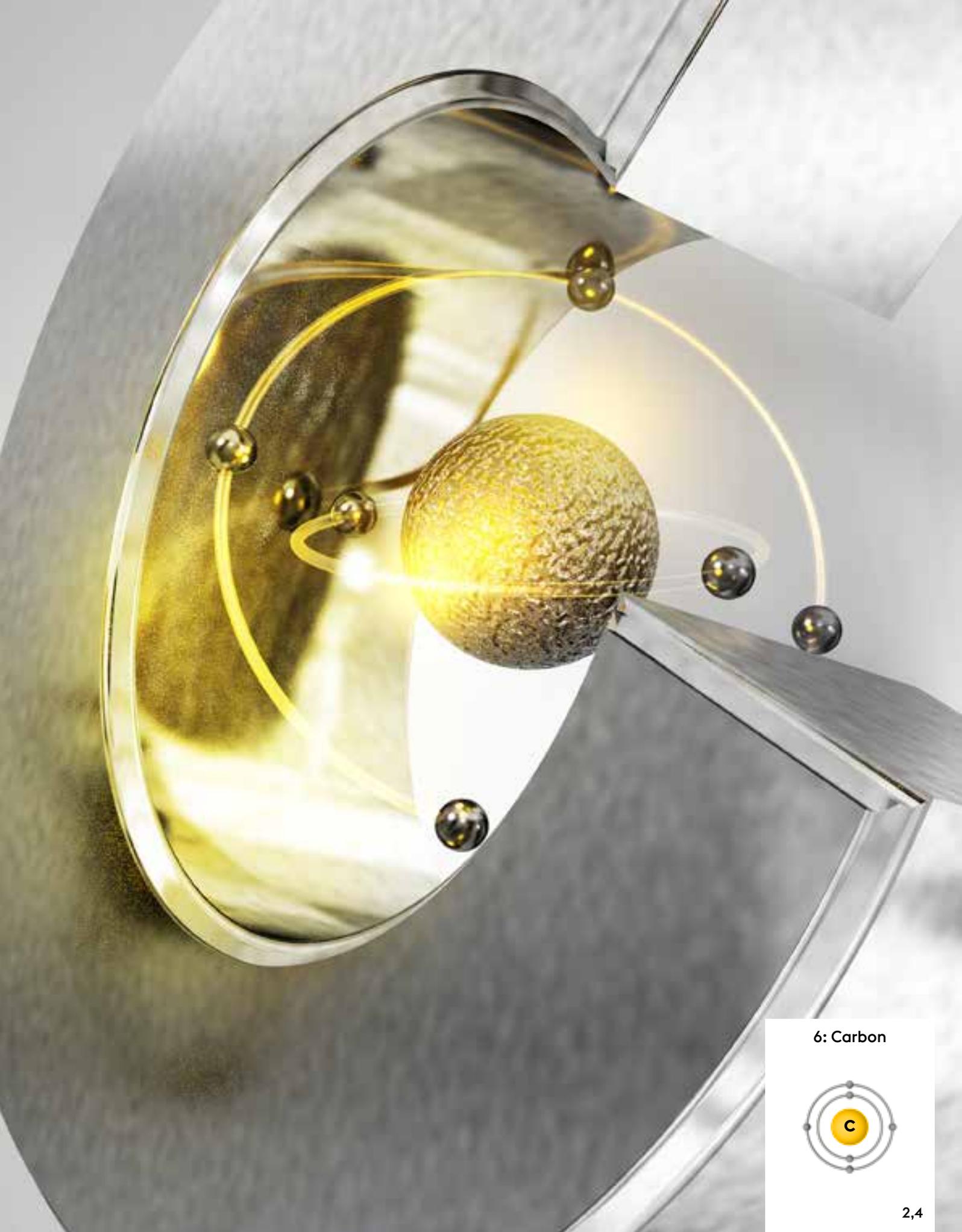
4.3 MATERIAL TOPICS

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

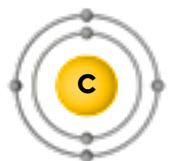
Information on voestalpine’s approach and performance regarding the material topics is published in the CR Report. The following topics have been identified as central to the Report:

A list of the topics that the stakeholder groups consider the most important is drawn up prior to the preparation of the annual CR Report and supplemented by those topics that have been identified in connection with the company’s work in relevant bodies as well as through analyses of trade communications and benchmark analyses of select competitors, suppliers, and customers.





6: Carbon



5. PRODUCT SUSTAINABILITY

The analysis of a product in terms of environmental, economic, and social criteria over its entire useful life is becoming ever more important—not just from customers' standpoint, but also at the political and legislative level. The effects on voestalpine's climate protection targets are particularly important in this connection.

Solid and workable data are the basis for any assessment of sustainability. They make it possible to provide transparent and quantifiable information on the sustainability of products to business partners, investors, trade and other associations, non-governmental organizations (NGOs), the public at large, and government agencies. These stakeholders use a wide variety of assessment and certification systems for the individual parameters. This poses a major challenge for a global technology group that operates in different segments. Among other things, therefore, voestalpine's activities also focus on helping to shape the legal framework for product sustainability, e.g., through legislation, the development of standards, the standardization of methods, etc.

Environmental, social, and economic aspects must be considered and included in any comprehensive product assessment—specifically, in each case across the given products' entire useful life, from the extraction of the raw materials all the way to the products' reuse and recycling.

Product sustainability thus encompasses all three pillars of sustainability along the entire supply and value chain, even though the requirements currently tilt the focus in the direction of ecological issues.

Environmental Aspects

- >> Life cycle assessment (LCA) for determining the environmental effects (the "carbon footprint") of voestalpine's products, such as a given product's carbon or water footprint and the provision of verified environmental balance sheets in the form of Environmental Product Declarations (EPDs).
- >> Material compliance: Information on the handling of relevant substances and substantiation of compliance with the applicable statutory requirements, e.g., "Registration, Evaluation, Authorization, and Restriction of Chemicals" (REACH); the "Restriction of Hazardous Substances Directive" (RoHS); the "Global Automotive Declarable Substance List" (GADSL); and the EU Directive on End-of-Life Vehicles.
- >> Circular economy: Development and creation of closed-loop substance, materials, and value-added chains to boost resource and energy efficiency (e.g., utilization of waste and recycled materials stemming from the production of steel, creation of recycling chains for product and secondary raw materials in the supply chain).

Social Aspects

>> Disclosure of and transparency regarding the use of so-called conflict minerals along the entire supply chain pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). voestalpine applies the internationally standardized and accepted “Conflict Minerals Reporting Template” (CMRT) of the Responsible Minerals Initiative (RMI) based on information from the upstream supply chain.

Economic Aspects

>> Provision of solid and workable information for various assessment and certification systems that are included in supply chain decision-making processes and can be utilized all the way to the end consumer as conveyors of information.

5.1 ENVIRONMENTAL PRODUCT ASSESSMENT: LCA IN THE voestalpine GROUP

A life cycle assessment is a methodology for systematically determining the environmental impact of products. It always involves analyzing several impact categories such as the carbon footprint (CO₂), the acidification potential (SO₂, NO_x), primary energy needs as well as the utilization of land and resources.

While the “cradle-to-grave” concept (i.e., all life stages including distribution, use, and disposal) is typically used to define the system limits of products destined for end consumers, the “cradle-to-gate” approach generally applies to industrial products, because these products are turned into end products outside of a company’s own facilities. This is also how voestalpine applies the procedure in most cases. The findings of such an analysis can be used by the given industrial customer to compute a complete life cycle assessment for a specific product.

An LCA of voestalpine products also shows the potential gained from recycling, because doing so avoids engaging in new primary production. Steel scrap (e.g., from end-of-life autobodies)—which is an important raw material in steel-making and can be turned back into high value

product qualities during the production process—is a typical example of this approach.

Environmental Product Declarations (EPDs) are important tools in this regard: They deliver transparent and neutral information on the environmental impact of a product based on its environmental balance sheet. voestalpine already has prepared and published EPDs for a variety of products such as colofer®, heavy plate as well as hot-dip galvanized strip steel. They are based on EN 15804 and ISO 14025, were verified by independent auditors, and have been published in the declarations program of the Austrian Institut Bauen und Umwelt (IBU), an association of building product manufacturers. For example, additional information and data on assessments of a product’s sustainability, which voestalpine makes available to its customers on a regular basis, serve as pre-chain data for customers’ products. They also serve as a basis for different sustainable building certification systems; supply chain reporting (e.g., the Carbon Disclosure Project, CDP); international product-related standards (e.g., the Framework Standard for Responsible Sourcing (BES 6001)); or national initiatives such as the Netherlands’ History Database of the Global Environment.

5.2 THE DECARBONIZATION CHALLENGE

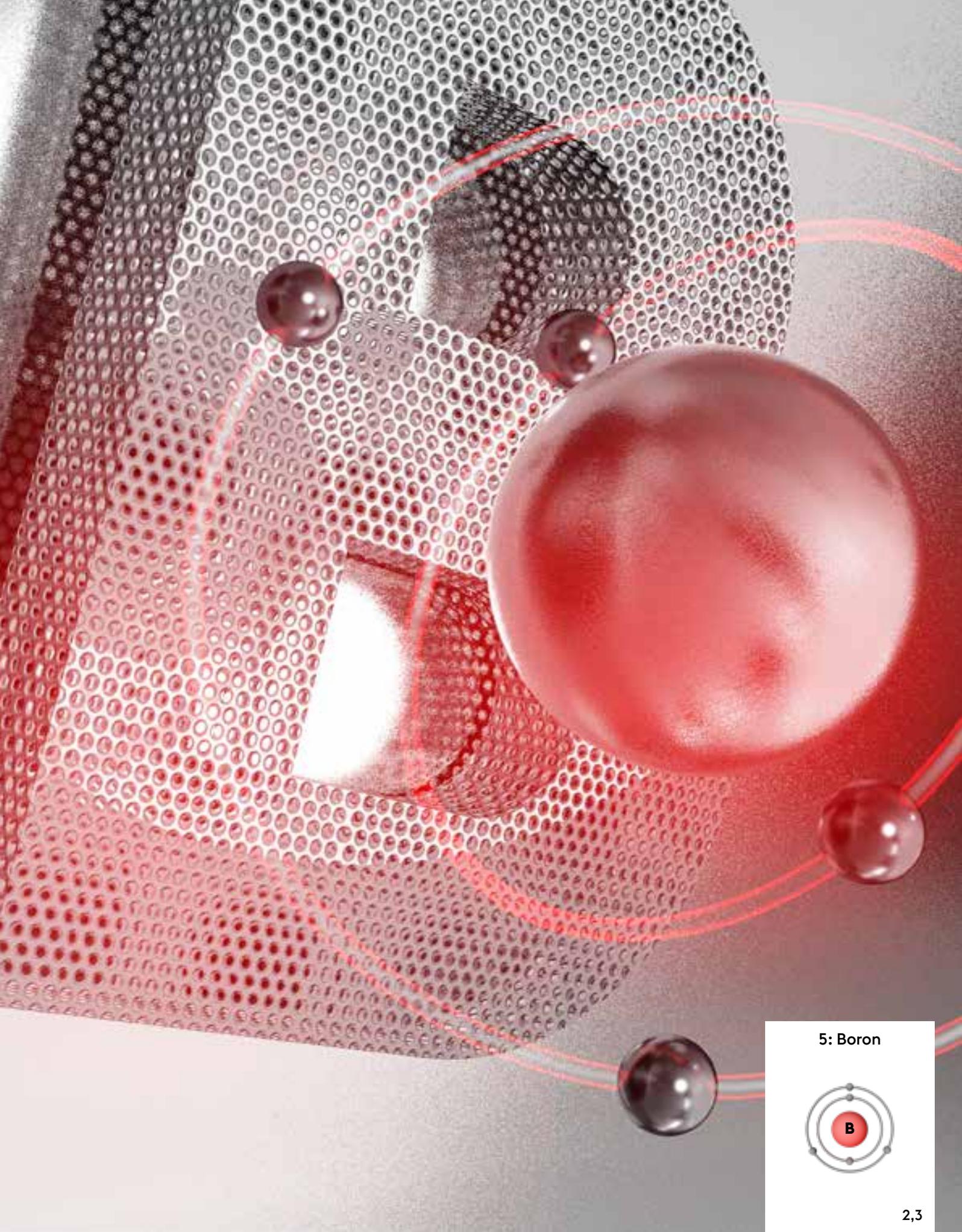
The long-term decarbonization of the economic and social system plays a role in environmental product assessments also, especially in the context of the so-called “circular economy,” which refers to sustainable recycling, taking value chains into account. EU legislation is addressing this topic too, e.g., through tightened limits on emissions up to 2030 and beyond.

In the automotive industry, for example, emissions assessments over a vehicle’s entire life cycle (so-called “life cycle emissions”) are being discussed in this connection. voestalpine cooperates intensively with its customers on these issues in order to describe the contribution of steel as a material and devise long-term concepts for CO₂-minimized steelmaking as well as to compile data on the joint potentials of the value chain.

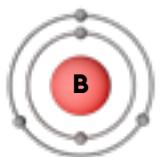
5.3 AN ISSUE OF GROUP-WIDE SIGNIFICANCE

voestalpine believes that both corporate responsibility and product sustainability are key aspects of the sustainability of a company and its products, and aims to bring about a coordinated and intensive collaboration of its divisions in this respect. The first-ever product sustainability workshop in April 2019 signaled the start of

specific steps: Representatives of all divisions and numerous operating companies as well as managers of the Strategy, Research, Sales, Corporate Responsibility, Environmental Management, and Communications departments participated in the workshop that was designed to facilitate an exchange of information.



5: Boron



6. CLIMATE PROTECTION

The production processes of the steel industry are energy intensive and thus emissions intensive. voestalpine actively engages in research and development projects to reduce CO₂ emissions and to contribute effectively to climate protection. Aside from voestalpine's innovation activities in metallurgy itself, its joint projects with the energy sector are becoming increasingly significant too. The political framework that is decisive to the actual implementation of new decarbonization technologies in the long term must be fleshed out simultaneously at the global, European, and national level.

6.1 THE POLITICAL FRAMEWORK

The continued implementation of the World Climate Agreement; EU requirements regarding energy, climate, research, and trade policies; as well as Austrian projects such as the national hydrogen strategy are the essential parameters of voestalpine's activities.

The company actively supports its core interests, both directly and through advocacy groups. This includes promoting innovations; coordinating EU-wide energy policies (expansion, electricity & natural gas infrastructure); safeguarding fair competition rules; and securing cost reductions in energy-intensive sectors during the transition to new technologies.

Austria held the presidency of the European Council in the second half of 2018. voestalpine participated in a multitude of related events and thus had the opportunity to draw attention to its challenges, approaches to solutions, and ongoing projects aimed at decarbonizing the production of steel in the long term. These activities included the unveiling of the company's hydrogen projects in the Austrian Pavilion at the Conference of Parties (COP 24) in Katowice,

Poland; its participation together with K1-MET (a metallurgical competence center) in the "Wind of Change" conference that the EU Commission had organized in Brussels, Belgium, on the issue of energy in future steelmaking; and its participation in the Strategic Energy Technology (SET) Plan conference in Vienna. The high-level conference, "Charge for Change: Innovative Technologies for Energy-Intensive Industries," was held in September 2018 at voestalpine Stahlwelt in Linz as part of an informal meeting of the EU Council of Energy Ministers. During this event, attendees from both the political realm and industry, including then EU Commissioner for Energy and Climate Action, Miguel Arias Cañete, toured the H2FUTURE electrolyzer facility that had been installed at voestalpine's Linz plant.

Numerous renowned industrial companies—including voestalpine's H2FUTURE project partners, VERBUND and Siemens—as well as voestalpine itself signed the European Hydrogen Initiative that the Energy Ministers had adopted. Austria's hydrogen strategy, which is based thereon, is currently being prepared at the national level.

Five of the existent working groups that comprise key stakeholders are looking into technical, regulatory, and economic aspects of the infrastructure required for generating hydrogen with the help of electricity from renewable sources as well as into options for storing hydrogen. The

Austrian Federal Ministries for Sustainability and Tourism (BMNT); Traffic, Innovation, and Technology (BMVIT); and Finance (BMF) are coordinating the work. voestalpine chairs the working group on “Hydrogen in Industrial Processes” at the invitation of the BMNT.

6.2 EU EMISSIONS TRADING

On paper, the Directive on the EU Emissions Trading System (EU ETS) provides for adequate no-cost allocations of allowances for the “best” facilities, i.e., those that are aligned with the benchmarks established by the EU.

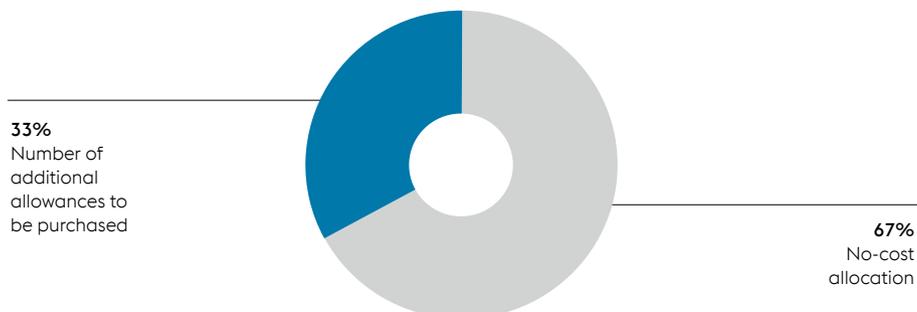
This so-called “carbon leakage” protection is intended to prevent the shifting of emissions-intensive industries from the EU to regions where climate protection requirements are weaker. In actual fact, however, the European steel industry must purchase allowances for about one

third of its emissions both in the current trading period (up to 2020) and in the subsequent one (up to 2030).

At this time, the voestalpine Group’s expense under the EU ETS is about EUR 100 million per year. Assuming that the CO₂ price will stay at least at the current level of about EUR 30 per ton of CO₂ in the long term, voestalpine’s total expenditures during the next trading period (2021 – 2030) will exceed EUR 1 billion.

EMISSION TRADING ALLOWANCES: FORECAST FOR voestalpine

Number of additional allowances to be purchased: about 45 million



The considerable expenditures for the EU ETS allowances are not available to research-intensive companies such as voestalpine for investments in low-carbon technologies.

voestalpine thus suggests that the EU ETS expense be refunded in full to such energy-intensive companies for earmarked purposes, i.e., subject to the requirement that the funds be utilized for taking innovative steps in the direction of environment and technology optimization programs aimed at lowering CO₂ emissions. Moreover, the competitive distortions resulting from divergent regulations throughout the EU in connection with the so-called electricity price offsets must be eliminated.

Under applicable EU state aid law, member states may grant offsets out of their proceeds from the national auctioning of ETS allowances to industrial consumers of electricity which, in some countries, account for up to 60% of the proceeds. This serves to offset higher electricity prices resulting from the energy sector's pass-through of the EU ETS expenditures to its customers. In Austria, however, this option has not yet been put into practice. At a CO₂ price of EUR 30, voestalpine's current cost disadvantage relative to its EU competitors is approximately EUR 40 million per annum.

6.3 DECARBONIZATION: voestalpine's OPTIONS AND PROJECTS

Coal and coke—the fossil raw materials on which conventional steelmaking is based—simultaneously are the main source of energy that is converted in the form of process gases into electricity in our own plants. In this way, our integrated steel facilities in Linz and Donawitz generate up to 80% of their electricity needs themselves; in other words, thanks to highly complex internal energy cycles they are largely independent of the external grid.

The energy equivalent for the crude steel production facilities in Linz and Donawitz is about 33 terawatt hours per year, which will have to be replaced by renewable energy from the external grid and/or by hydrogen generated with the help of renewable energy once the conversion to CO₂-minimized technologies has been completed.

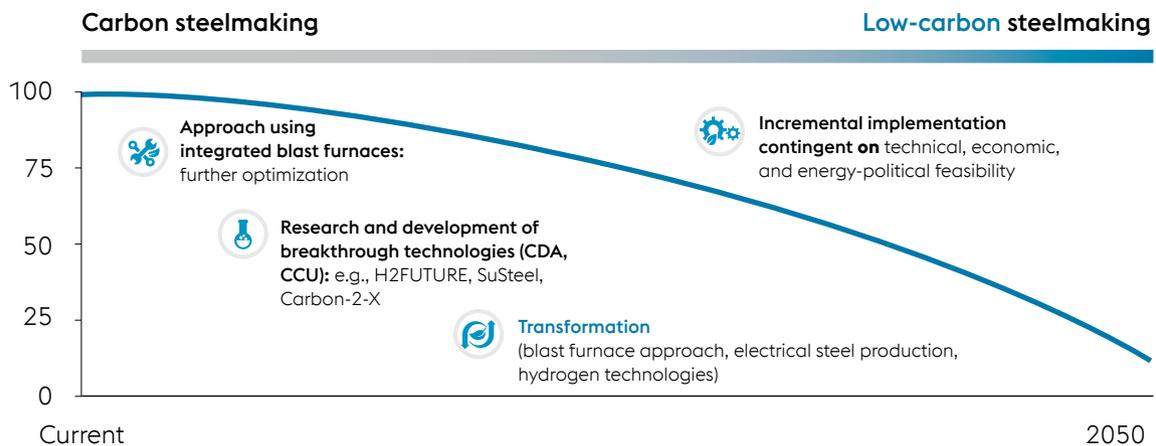
Several factors thus pose a challenge for the steel industry. In a first step, the industry must develop novel production technologies through research and innovation focused on metallurgy and process technology based on the use of renewable energy (e.g., green hydrogen) and upscale these new technologies. Subsequently, the industry will have to make heretofore unimaginable investments to convert existent production processes and, finally, competitively operate the new production technologies on a global scale.

While research and development are integral to companies' metallurgical know-how, the economic framework required for the broad-based implementation of novel technologies can only be created by way of a fundamental restructuring of the energy system.

6.4 TECHNOLOGY SCENARIOS

LOW-CARBON STEEL PRODUCTION: THE voestalpine SCENARIO

CO₂ emissions (in %)



As already described in detail in the previous CR Report, voestalpine is largely pursuing a concept that directly avoids CO₂ emissions (e.g., carbon direct avoidance (CDA)).

>> **voestalpine's decarbonization concept** aims to lower CO₂ emissions through the partial transformation of carbon-based steelmaking that requires integrated blast furnaces into electrical steelmaking that requires both the combined, flexible use of raw materials and an increase in the use of hydrogen (in the form of natural gas, coke gas, or pure hydrogen) and renewable energy. Depending on issues of technical and economic availability, in the long term the amount of hydrogen will be increased so that, in the end, the CO₂ emissions can be reduced by more than 80%.

>> **Research and development activities** including **upscaling** for the large-scale use of breakthrough technologies (e.g., H2FUTURE, SuSteel, Carbon-2-X):

> **H2FUTURE:**

Pilot plant in Linz serving to produce and test the industrial feasibility of green hydrogen. This EU showcase project at voestalpine's Linz facility receives major support from the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) as part of the Horizon 2020 project.

> **Breakthrough technologies:**

Sustainable Steelmaking (SuSteel): Smelting reduction using hydrogen plasma and development of the technology in cooperation with a research facility at the Donawitz plant. The aim is to produce steel directly from iron ore without an intermediate step. This multi-year research and development project, which is supported by funds from the Austrian Research Promotion Agency (FFG), among others, is still at the bench scale.

>> **Bridging technology:**

Natural gas as a reducing agent in a direct reduction plant (currently in Texas, USA). Subsequently, this may be followed by the incremental use of green hydrogen (manufactured using renewable energy).

>> **Transformation of steelmaking in its current form**, i.e., from the carbon-based approach using an integrated blast furnace into electrical steelmaking that requires the combined, flexible use of raw materials (pig iron, scrap, hot briquetted iron (HBI)) and an increase in the use of both hydrogen and renewable energy.

>> **Incremental implementation** of the breakthrough technologies contingent on their large-scale technical maturity and the technically assured availability of renewable energy at competitive costs. These measures are intended to enable CO₂ reductions of more than 80% in steel production.

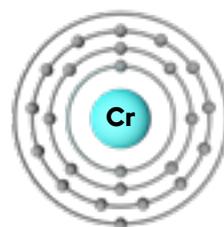
Aside from these carbon direct avoidance (CDA) options, voestalpine is also exploring the possibilities of carbon capture and usage (CCU). Ongoing and conceivable projects with respect to Carbon-2-X concern the conversion of CO₂ from process gases and the utilization of such gases along with hydrogen in both the energy and the chemical industry.

Above and beyond the technical feasibility, the use of raw materials and energy (using natural gas and hydrogen) in future steelmaking operations are material prerequisites for both CDA and CCU.

The funding requirements for all phases of this transformation are massive. Decarbonization also hinges fundamentally on the incremental restructuring of the energy system in the direction of a system where renewable energy is available in adequate quantities and on financially feasible terms so that the technologies available at the time can actually be operated competitively.



24: Chromium



2,8,13,1

7. TRANSPARENCY IN THE SUPPLY CHAIN

voestalpine practices active supply chain management. This involves systematically collecting data on and evaluating the social and environmental effects and risks of suppliers' activities as well as considering them in the development of supplier relationships. Both general and raw materials procurement are integrated into the Corporate Responsibility Strategy.

General Procurement

When selecting its suppliers, voestalpine ensures that they comply with environmental and social principles. Sustainable supplier management has been integrated into its 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.



Raw Materials Procurement

Applying a life cycle approach (“closed loop”) together with our customers guarantees 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 the

corporate responsibility guidelines (CR Guidelines). New suppliers are assessed in terms of CR, quality, and performance and, depending on the outcome of the evaluation, are included in the portfolio of suppliers. The Sustainable Supply Chain Management (SSCM) project serves 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 that are subject to the Dodd-Frank Act to act in accordance with the latter's provisions. CMRT reports ensure that all materials procured on behalf of the Group are "conflict free."

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.

The primary responsibility of raw materials procurement management is to secure the long-term,

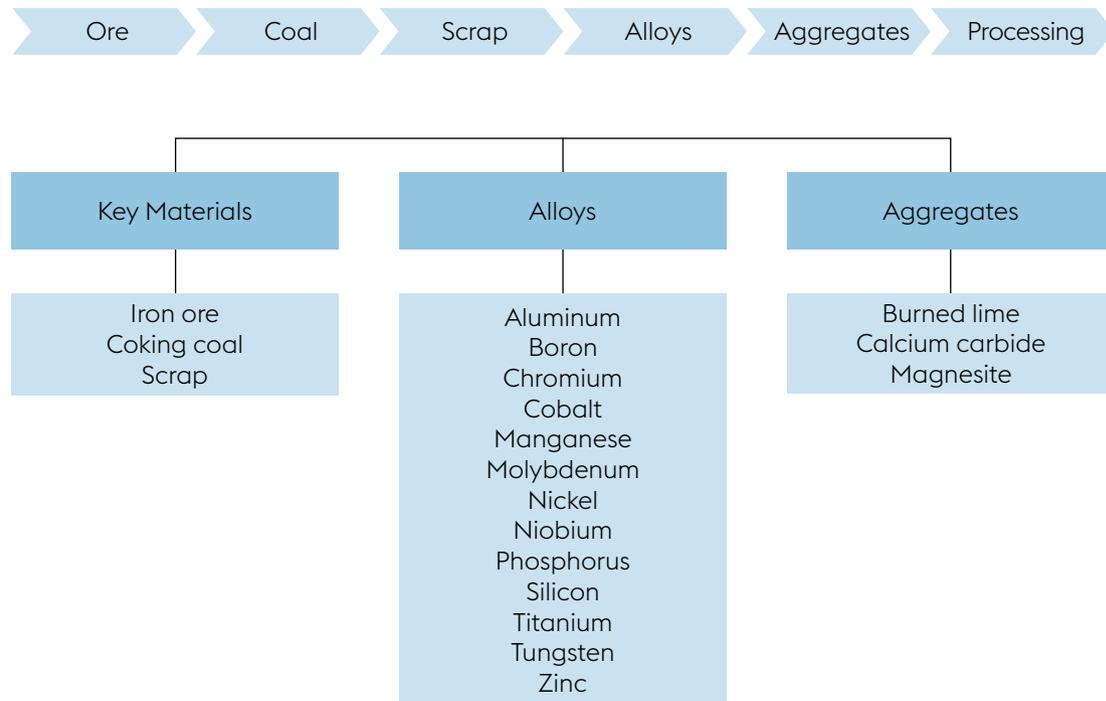


7.1 STRUCTURE OF THE SUPPLY CHAIN

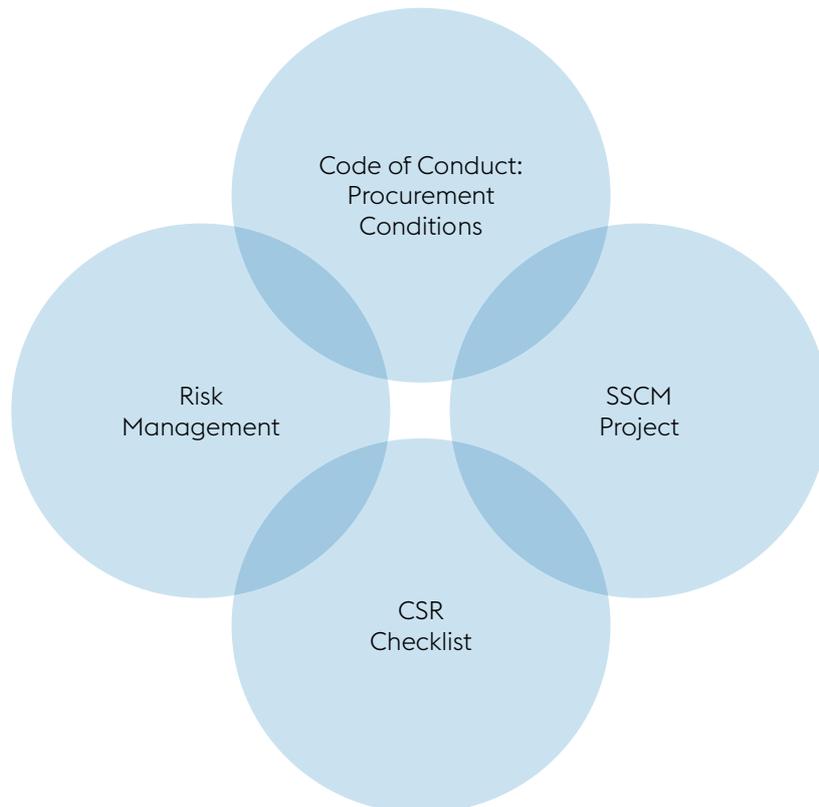
voestalpine works with a large number of suppliers that deliver the most diverse range of materials or products. Supplies are purchased either by the companies themselves or in centralized fashion for several facilities jointly, the latter particularly in connection with raw materials for the production of steel.

The conventional steel supply chain that provides the basis for many of the Group's value chains is depicted schematically below.

SUPPLY CHAIN EXAMPLE: STEEL PRODUCTION



7.2 SUPPLY CHAIN MANAGEMENT AT voestalpine



In order to firmly establish voestalpine's expectations and standards in a given supply chain, the company's Code of Conduct is an integral part of the purchasing terms and conditions that are binding on all suppliers. voestalpine's risk management continually examines and evaluates a variety of risk categories based on pre-defined checklists, updating them as necessary. The Sustainable Supply Chain Management

(SSCM) project, which was already described in the two preceding Corporate Responsibility Reports, will reach yet another level in the business year 2019/20. In addition to the raw materials for the steel supply chain, henceforth the alloy elements purchased by the High Performance Metals Division will be subjected to a detailed analysis too.

This analysis comprises the following alloy elements:

- Boron
- Chromium
- Manganese
- Molybdenum
- Nickel
- Niobium
- Phosphorus
- Tungsten
- Vanadium
- Zinc

These countries of origin will be examined as part of the expanded project:

- Albania
- Canada
- Chile
- China
- Czech Republic
- Finland
- Great Britain
- Kazakhstan
- Mexico
- Norway
- Russia
- Sweden
- Switzerland
- South Africa
- South Korea
- Ukraine
- USA
- Vietnam

In keeping with the existent SSCM activities, the review shall be conducted based on the following criteria:

Environmental Topics	Social Topics Human Rights	Labor Standards	Governance Topics
Waste & recycling	No discrimination	Working times	Compliance (incl. anti-corruption work)
Wastewater & water contamination	No child labor	Occupational health and safety	
Biodiversity	No forced labor	Fair compensation	
Soil emissions	Collective bargaining agreements Freedom of association		
Airborne emissions	Health and protection of the local population		
Use of energy			
Water consumption			

The intensive research will be rounded out by discussions among experts. As is already the case with respect to the steel supply chain, the findings will be entered into a matrix containing various hot spots. These hot spots show the extent to which potential effects are deemed egregious, the extent of the probability of negative effects occurring as well as the extent to which the examined sources are valid.

The hot spots will be discussed in workshops and necessary steps will be taken, subject also to the inclusion of the respective suppliers.

The next CR Report will describe the findings.

Corporate Social Responsibility (CSR) Checklist

One of the measures derived from the first completed phase of the SSCM project for the steel supply chain concerns the preparation of a checklist of topics related to corporate responsibility that serves as a binding guideline to be used during regular on-site visits at suppliers' facilities.

Aside from general information on the given entity, the checklist comprises topics such as compliance, working conditions (including

workplace safety) as well as environmental issues in regards to which the suppliers must provide information and, if available, submit certificates and guidelines.

The results are then fed into a database that is regularly updated and thus always provides a current overview of the CSR performance of voestalpine's raw materials suppliers.

7.3 SUPPLY CHAIN MANAGEMENT IN ASSOCIATIONS AND INITIATIVES

Industry initiatives and trade associations are also increasingly focusing on transparent, responsible supply chains. In particular, worldsteel (the World Steel Association) and ResponsibleSteel (an advocacy organization) are intensively dealing with this topic. voestalpine is party to the ongoing development of transparency

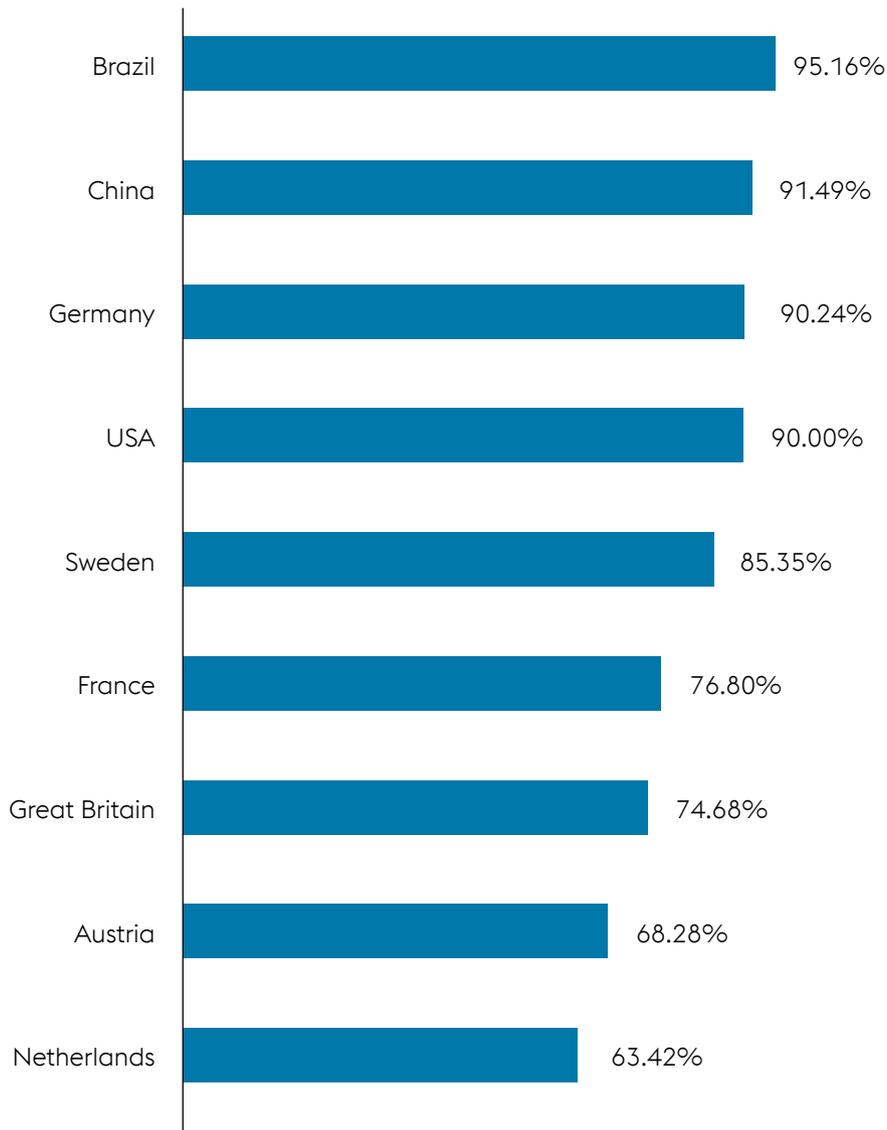
requirements in global supply chains, either because it belongs to these organizations' working groups or because it collaborates in the design of new standards. Hence the company can contribute the experience it has gained through the SSCM project to these activities in the form of current and in-depth inputs.

7.4 LOCAL SUPPLIERS

voestalpine places great value on regional procurement. Wherever possible and meaningful, Group companies make their purchases from suppliers in the vicinity of their facilities. For example, more than 95% of the suppliers used by

Brazil-based voestalpine entities are domiciled in the country. Such a high percentage of local procurement is not achievable in resource-poor countries. The following graph shows the respective percentages of regional suppliers.

LOCAL SUPPLIERS



8. ETHICAL CORPORATE MANAGEMENT

Ethical corporate management means responsible 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.

Ethical Corporate Management

In order to ensure that the responsible management and control of the Group serves 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).

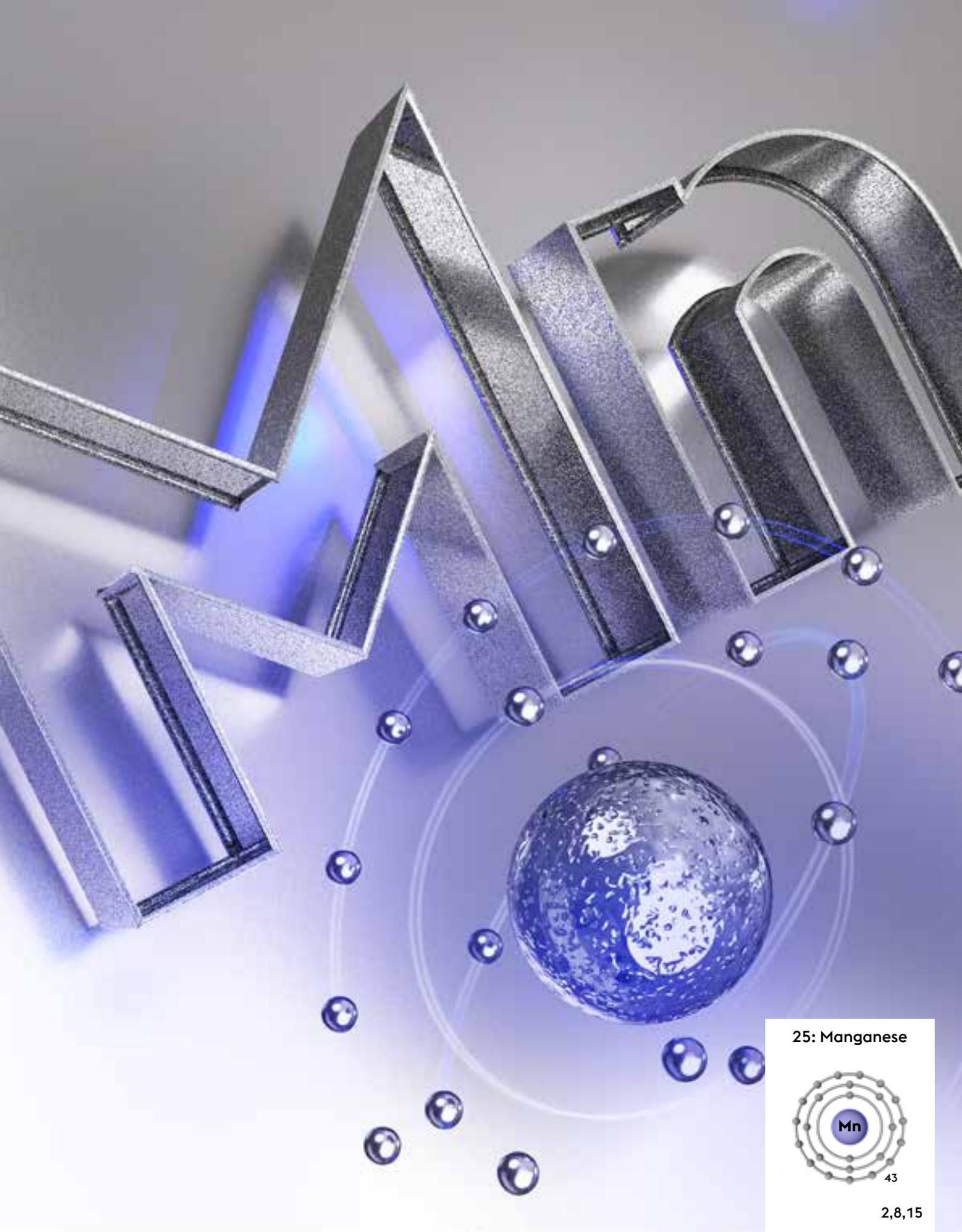


8.1 COMPLIANCE

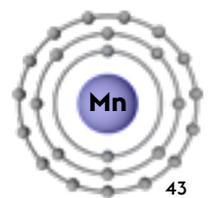
voestalpine requires its companies and all of its employees to comply with all laws in all of the countries in which it operates. For voestalpine, however, compliance means more than just acting legally and in accordance with other external requirements. It is the expression of a culture that is also 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 to comply, without limitation, with all applicable laws in the respective country and, in particular, to respect and uphold human rights as fundamental values.



25: Manganese



2,8,15

8.1.1 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 is published in German and thirteen additional languages and can be downloaded from the Internet:

<http://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
- >> Fair competition
- >> Corruption, bribery, acceptance of gifts
- >> Money laundering
- >> Respect and integrity
- >> Conflicts of interest
- >> Handling of corporate information, confidentiality
- >> Corporate communications
- >> Use of the Internet and IT
- >> Insider information
- >> 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 required to bring the Code of Conduct to the attention of their customers and, if possible, to require them to comply with it too. All of voestalpine's business partners are also requested to reasonably promote compliance with 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 supplementary information on issues of corruption, bribery, and the acceptance of gifts. It defines the procedure to be complied with prior to engaging sales representatives, agents, and other marketing consultants. 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 applicable laws and the voestalpine Code of Conduct.

Antitrust Law

This guideline (most recently revised in April 2019) describes the prohibition of agreements restricting competition; provides rules for dealings with trade associations, professional organizations as well as other sector organizations; and establishes specific 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; and the Web-based whistleblower system.

Code of Conduct for voestalpine’s Business Partners

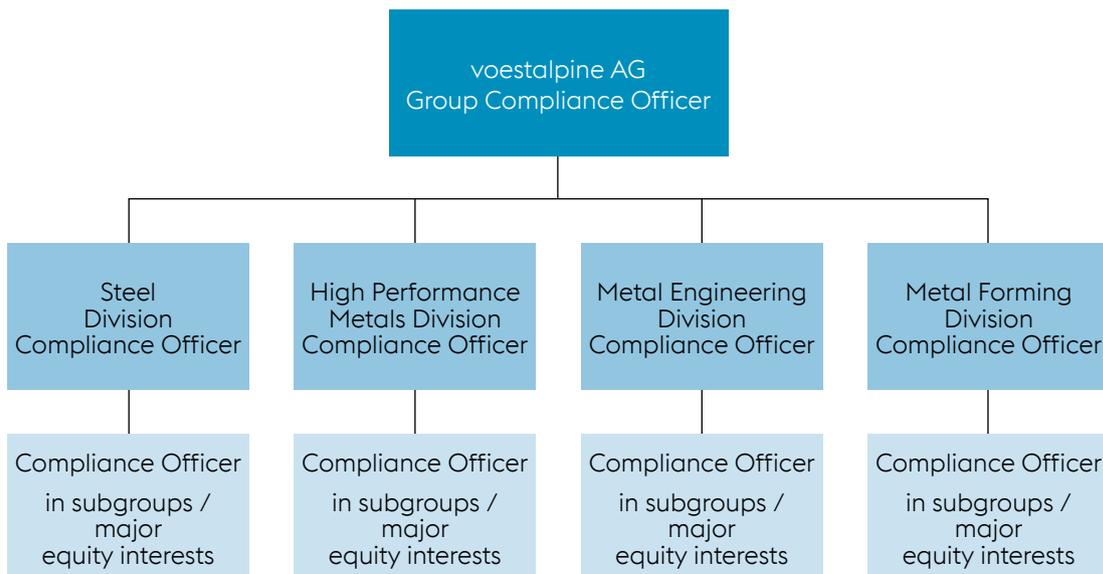
The rules and regulations that are directed toward suppliers of goods and services as well as toward brokers, consultants, and other business partners define the principles and requirements for doing business with voestalpine. Among other things, voestalpine requires its business partners to respect 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.

8.1.2 COMPLIANCE SYSTEM

The 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 support management in fulfilling its responsibility and set up the processes required to this end.

Aside from a Group Compliance Officer, a compliance officer was appointed in each division; additional compliance officers were appointed in certain divisional 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.



The 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 issues of compliance—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.

8.1.3 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 more than 56,000 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 a course on the Code of Conduct) were revised and updated in the business year 2018/19.

In addition to the e-learning courses, face-to-face training tailored to target groups has been carried out especially for sales and marketing personnel. This face-to-face training was generally focused on compliance with 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 compliance with 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.

8.1.4 REPORTING COMPLIANCE VIOLATIONS

Reports of compliance violations should be made openly for the most part, i.e., providing the whistleblower's name. Pursuant to the Code of Conduct, such reports may be directed 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; or one of the Group's 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. 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.

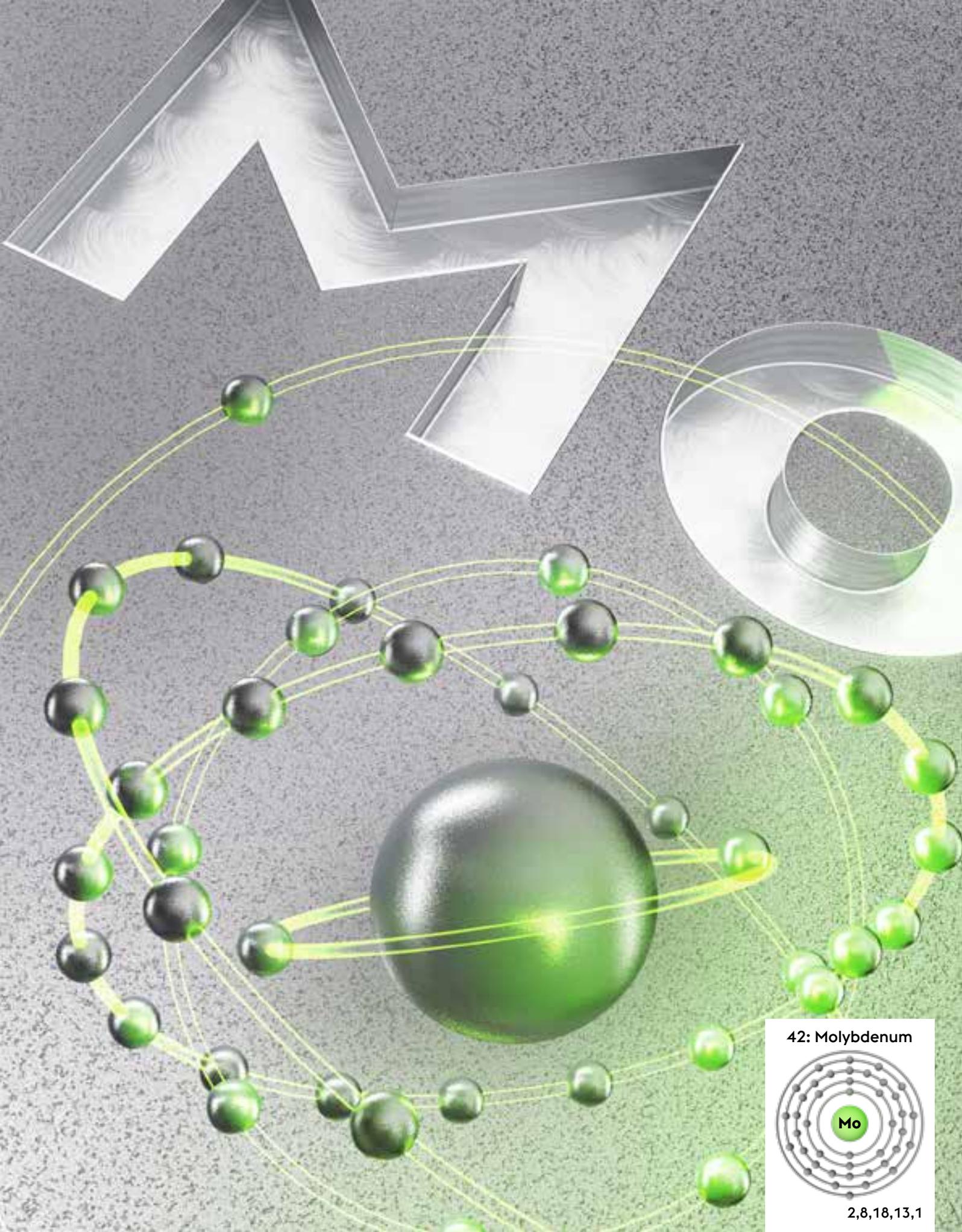
8.2 CORPORATE GOVERNANCE

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"); they have also implemented all of the amendments introduced in the meantime without exception.

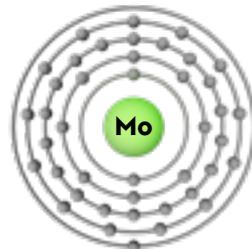
In addition to the Code's binding legal requirements ("L rules"), voestalpine AG voluntarily complies with all of its "comply or explain" rules ("C rules") and recommendations ("R rules"). The Code provides Austrian stock corporations with a framework for managing and monitoring their companies. It is 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 2018. The Code achieves validity when companies voluntarily undertake to comply with it. It aims to establish a system for managing and controlling companies and groups that is accountable and 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 (e.g., antitrust proceedings) are reported in the quarterly and annual reports of voestalpine AG.



42: Molybdenum



2,8,18,13,1

9. 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 anti-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 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 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 a union. 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, both of 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.

voestalpine's 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 its prescribed 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

voestalpine's plant security staff is largely made up of the company'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 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 in any way affect the rights of aboriginal peoples.

10. RESEARCH AND DEVELOPMENT

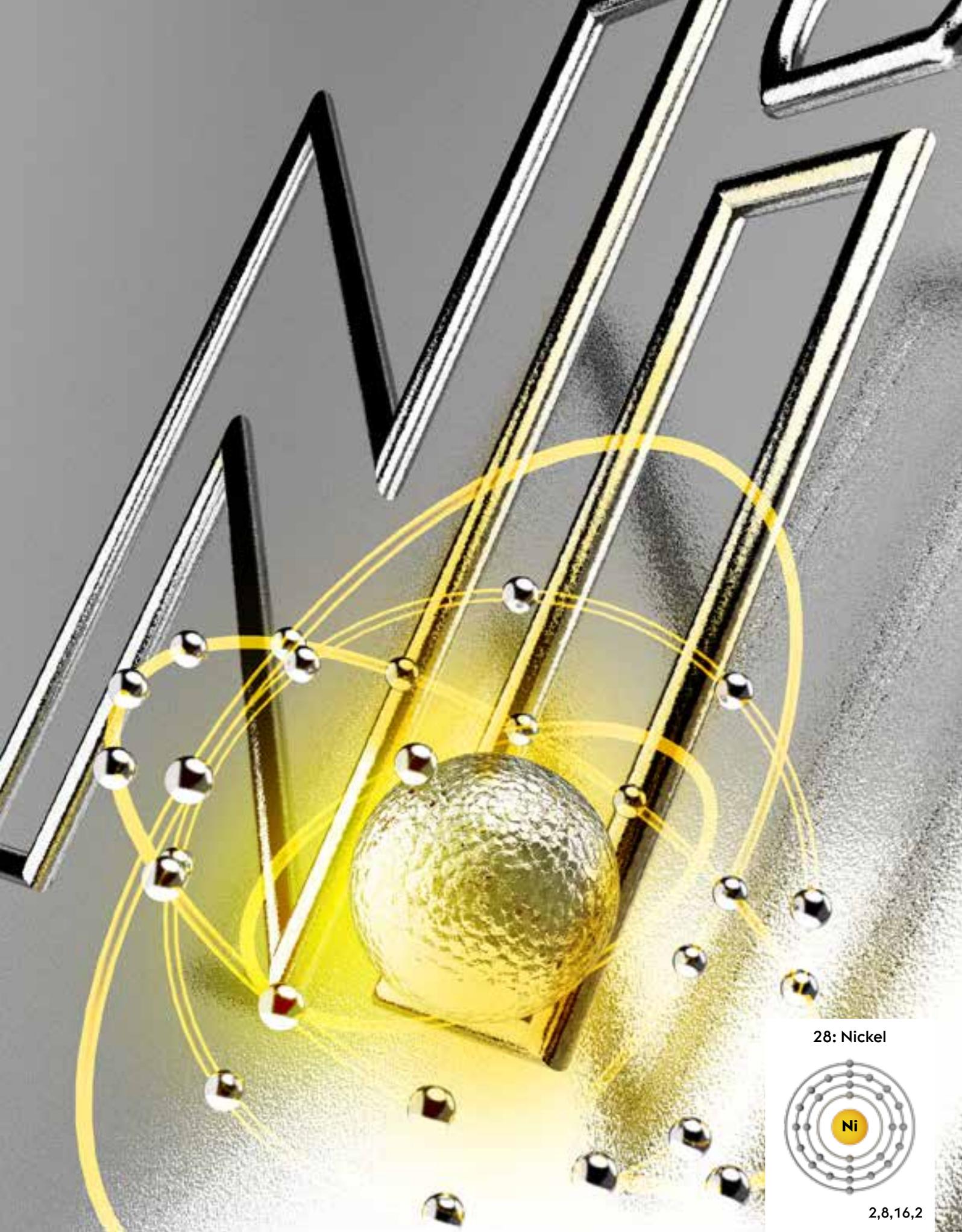
We continuously conduct research on innovative products and processes, and develop novel technologies in order to remain the benchmark for both resource efficiency and environmental standards.

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.

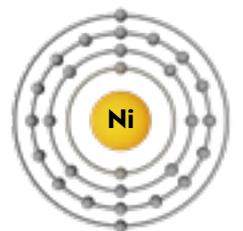
We place great value in long-term, trusted relationships with our customers and suppliers in the field of research too and work closely with universities and scientific institutions.

The continuous development of new products and production processes is vital for 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. Research and Development (R&D) thus are a material element of voestalpine's long-term corporate strategy.





28: Nickel



2,8,16,2

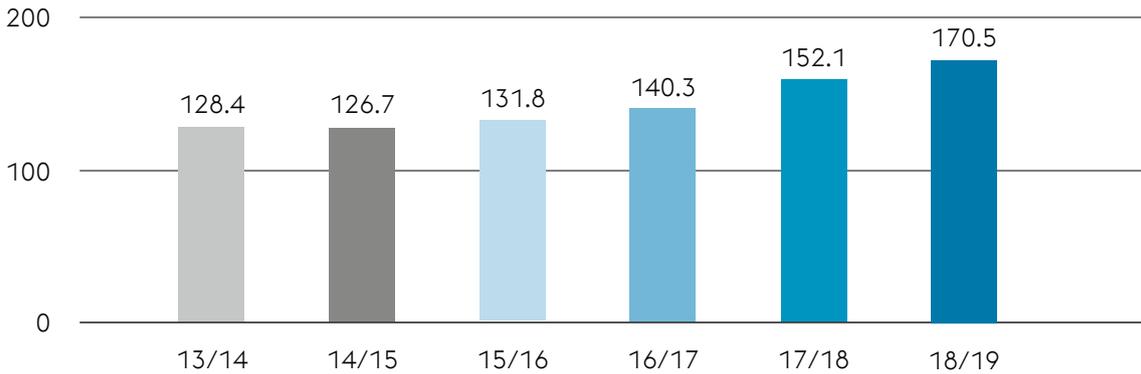
10.1 RESEARCH EXPENDITURES

The continuous increase in research expenditures over the past few years reflects the importance attributed to R&D within the Group.

A total of EUR 170.5 million (+12.1%) were spent on R&D in the business year 2018/19.

GROSS R&D EXPENDITURES

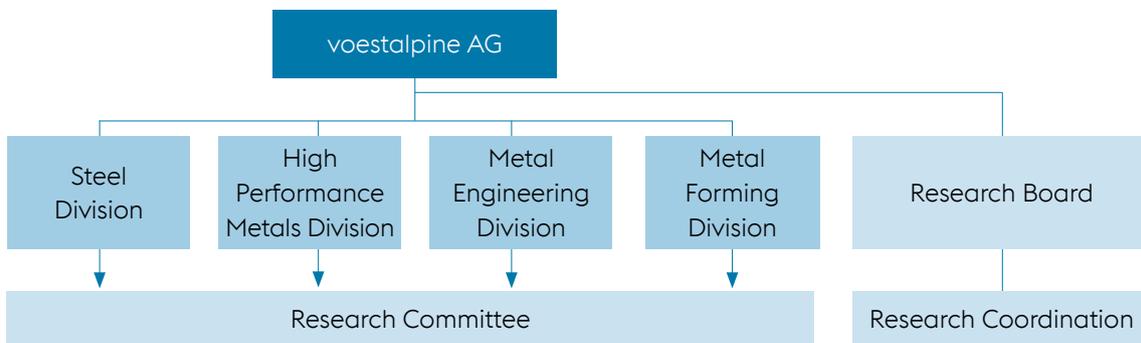
Excl. R&D capital investments per business year, in millions of euros



10.2 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. A variety of formats are used in the exchange of knowledge: Within the Research Committee, information is shared

among the R&D managers; corporate projects link the knowledge available in individual divisions; R&D expert clusters offer platforms for researchers to discuss particular topics; and the “Synergy Platform” (the Group’s own annual conference) offers opportunities for sharing knowledge while meeting in person and networking.



10.3 STEEL—A SUSTAINABLE MATERIAL

Steel is one of the most important materials in our day-to-day lives. Whether buildings or households, whether industry or mobility: No sphere of life is conceivable without steel. Rising standards of living in many emerging economies go hand in hand with the continual increase in the consumption of steel. Yet the protection of both the climate and the environment call for a new view of raw materials. On the one hand, steel's footprint is good, because the possibilities for recycling it are almost unlimited. On the other hand, the production and processing of steel require lots of resources and energy. The research & development departments of technology groups such as voestalpine face major challenges against the backdrop of the envisioned decarbonization of the economy.

Even in terms of its applications, steel can contribute to a sustainable way of life, thanks especially to the opportunities that lightweight construction offers. For example, ultra-high strength

steel possessing higher degrees of malleability is used in lightweight automotive construction. The reductions in the weight of autobodies lower both fuel consumption and emissions. Low-loss electrical steel strip as well as inline-bonded lamination stacks are built into highly efficient electric engines, thus making an important contribution to electric mobility. Lifecycle-optimized turnouts equipped with diagnostic and assistance systems as well as tracks made of wear-resistant steel grades enable both high availability of a given rail infrastructure and the highest degree of passenger safety.

Special steels boost the efficiency of conventional power plants. Steel also plays a major role in the generation of electricity from renewable sources, for example, in wind turbines. In the toolmaking industry, high-performance steel equipped with special coatings ensures longer useful lives and lower maintenance expenditures.

10.4 INNOVATIONS FOR SUSTAINABLE PRODUCTION PROCESSES

The production of steel will remain an energy-intensive process even in the future. voestalpine works continuously to find new solutions for decarbonizing steel production. The company is endeavoring to replace coal with alternative sources of energy through bridging technologies—particularly based on natural gas, as in its new direct reduction plant in Texas. The next step is to develop the direct reduction process using hydrogen instead of natural gas.

A hydrogen electrolyzer plant is currently being built at the company's site in Linz in order to research the technology and its potential for

steel production. The groundbreaking, so-called "SuSteel" project serves to conduct research on the direct production of steel using hydrogen plasma. A pilot plant is being built to this end at voestalpine's site in Donawitz.

As far as the goal to lower the use of both resources and energy is concerned, digitalization contributes significantly to the continued refining and optimizing of existent production processes. Mechatronics, model-based controls, and artificial intelligence all contribute to sharp increases in process efficiency.

11. ENVIRONMENT

Environmentally conscious action is firmly integrated into the voestalpine Group's corporate philosophy. This concerns all areas of the production chain and focuses on the most economical use possible of resources—especially raw materials and energy—as well as on efforts to minimize the environmental impact of processes and products.

To achieve these goals, we utilize the best available technologies in voestalpine's production plants and continually work 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, environmentally friendly production processes and, not least, to refine materials and products makes material contributions to the company's environmental footprint as well.

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

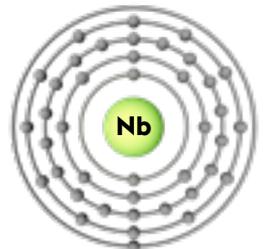
voestalpine is committed to the following principles at all of its production facilities:

- >> 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 one of them and
- >> To engage in open and professional dialogues

As a result of these consistent efforts, voestalpine has become a leader in the European steel industry, for example, with respect to emission intensity and resource efficiency.



41: Niobium



2,8,18,12,1

Environmental protection is a core component of voestalpine's Corporate Responsibility 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-physical properties of existent production processes. We operate our production facilities pursuant to the principle of using the best available technologies as appropriate and in economically viable fashion. We also develop new approaches in order to minimize environmentally relevant effects on the air, soil, and water to the greatest extent possible.

Circular Economy & Life Cycle Assessment

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

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, technical colleges and universities as well as environmental organizations.



11.1 ENVIRONMENTAL MANAGEMENT SYSTEMS

About 60% of the 130 Group companies worldwide that are included in internal environmental data management use an environmental management system (EMS) pursuant to ISO 14001. These entities account for 100% of the company's crude steel production. About 15% of our facilities have also been validated under the EU's Eco-Management and Audit Scheme (EMAS), and more than 20% utilize a certified energy management standard pursuant to ISO 50001. The implementation of ISO 14001 at the

Group's facility in Corpus Christi, Texas, USA, will be completed by the end of the business year 2019/20.

In September 2018, voestalpine was awarded the EMAS prize for the best environmental team by the Austrian Ministry of Sustainability and Tourism on account of the scope, effect, and communication of the company's policies under the Eco-Management and Audit Scheme.

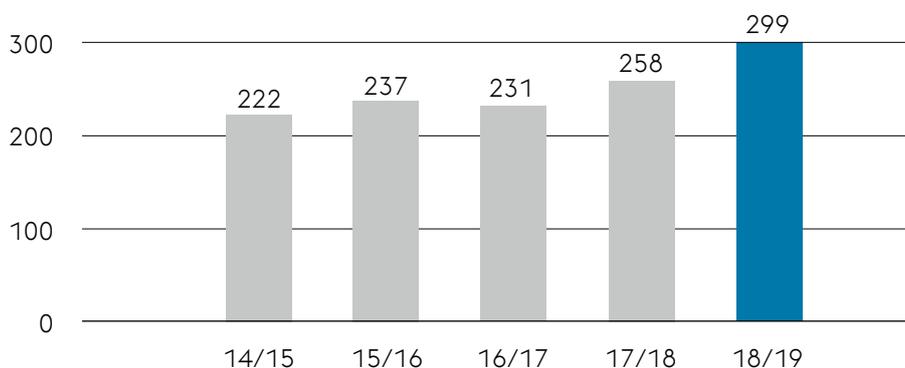
11.2 OPERATING EXPENSES FOR ENVIRONMENTAL PROTECTION SYSTEMS

The company's environmental expenditures reflect the stringent nature of its standards regarding the environment and environmental

technology. Current operating expenses related to environmental investments in the past ten years exceed EUR 2.3 billion.

ENVIRONMENTAL EXPENDITURES voestalpine AG

In millions of euros



Environmental expenditures in the business year 2018/19 have grown to EUR 299.1 million due to the significant increase in costs associated with the EU emissions trading system (EU ETS). Because of the dramatic increase in the price of the CO₂ certificates by 61.7%, the resulting expense (which is recognized in net profit or loss) in the business year 2018/19 for purchasing emissions trading certificates was EUR 69 million and thus EUR 36 million higher year over year.

In the reporting period, EU emissions trading already accounted for fully 23% of the current environmental funds. About 24% of these funds were spent on waste recycling, reuse, and disposal; 34% went toward clean air activities at the operating level; and 16% were spent on measures to protect the aquatic environment.

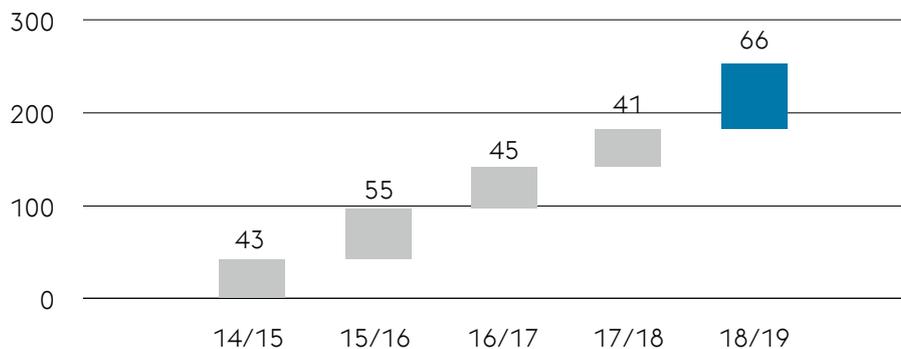
11.3 ENVIRONMENTAL INVESTMENTS

Group-wide, some EUR 400 million were spent in the past ten years on investment projects having a clearly allocable environmental impact.

New environmentally relevant investments rose from EUR 40.7 million in the business year 2017/18 to EUR 66.2 million in the business year 2018/19. This increase stems mainly from two major projects in the Steel Division and the High Performance Metals Division, respectively.

ENVIRONMENTAL INVESTMENTS voestalpine AG

Cumulative, in millions of euros



In the **Steel Division**, Blast Furnace A (the Group's largest individual blast furnace) at the Linz, Austria, site saw a complete overhaul. More efficient filter systems were introduced and extensive supplementary steps were taken to ensure blast furnace gas cleaning and dedusting. The rehabilitation work on the areal of the division's Linz-based coking plant that has

been contaminated since World War II has been ongoing since 2011. The work to remove highly contaminated areas in the eastern portion of the areal by way of so-called hot spot excavation continued in the business year 2018/19. Additional investments were made at the Corpus Christi plant in the United States to suppress dust emissions.

The **High Performance Metals Division** has lowered its specific energy consumption by acquiring a new forging press with automated system controls and by putting in place new, energy-efficient furnaces.

In the **Metal Engineering Division**, additional steps have been taken to suppress dust, for instance, by misting the production lines near the blast furnaces in Donawitz, Austria, as well as by installing dust-suction equipment at the annealing furnace in Kindberg, Austria.

The **Metal Forming Division** invested in the expansion of its in-house generation of hydro-power and thus the production of renewable energy, which the voestalpine Group has already pursued in the past at several sites. During the reporting period, a more powerful turbine was installed in one of the existent hydroelectric plants, and the power plant on the whole—all the way to its control systems—was brought up to specifications. Steps aimed at using electromobility as the intracompany mode of transportation were accelerated in a number of this division's companies.

11.4 AIR EMISSIONS

Major air pollutants generated in the production of steel are greenhouse gases (in particular CO₂) as well as sulfur dioxide (SO₂), nitrous oxides (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.

voestalpine endeavors to minimize air pollutants generated during production on account of purely technical processes to the greatest extent possible. For one, this is accomplished by the continuous optimization of technical processes (so-called “process integrated (PI) measures”) and, for another, by way of state-of-the-art scrubbing facilities that minimize remaining emissions (so-called “end-of-pipe measures”).

Technical limitations make it impossible so far to entirely avoid process-related emissions resulting from required raw materials and existent production processes. We have succeeded in lowering emission levels to the technologically achievable minimum thanks to the environmental measures that were launched as early as in the mid-1980s and have been pursued since then with the help of extensive investments, both technically and financially.

An analysis of the past three decades shows that the specific emissions of the voestalpine Group (i.e., per ton of crude steel) have been reduced as follows: CO₂ by 20%, SO₂ by 75%, NO_x by 27%, and dust by 95%.

11.4.1 GREENHOUSE GAS EMISSIONS

The direct greenhouse gas (GHG) emissions of the approximately 130 production facilities of voestalpine in the calendar year 2018 were 12.7 million tons; the two Austrian plants that produce crude steel (Linz and Donawitz) account for 85% of this amount.

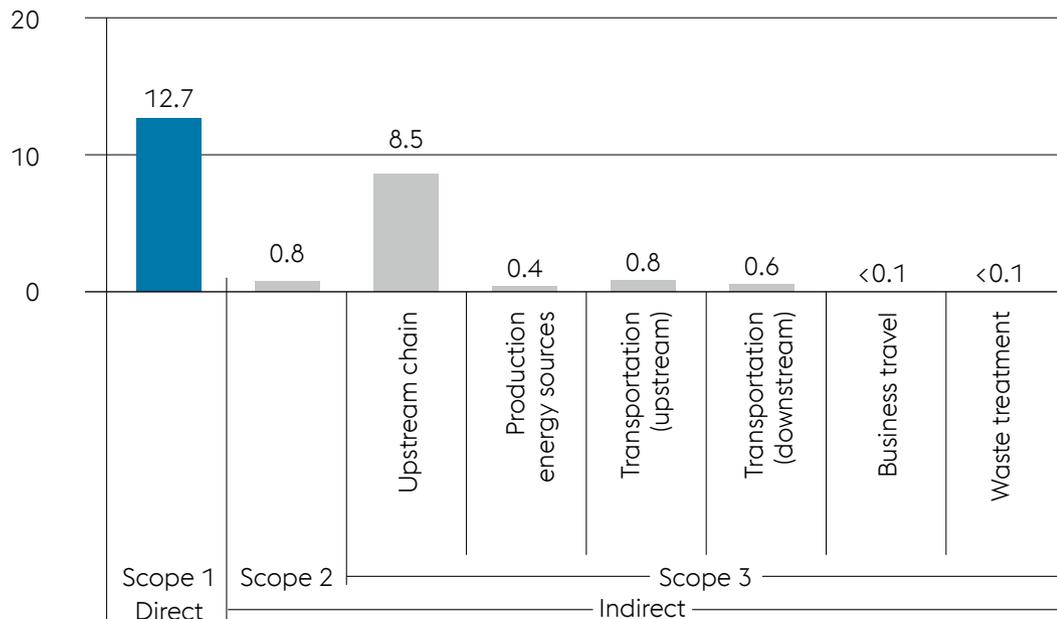
voestalpine places great value on transparency and thus has participated in the Carbon Disclosure Project (CDP) among others since 2017. To this end, the greenhouse gas emissions were tallied and externally verified in

comprehensive fashion for all production facilities along the entire value chain in accordance with ISO 14064-3.

In 2018, voestalpine was given the CDP's high "B" rating for its transparency in climate reporting and its activities with respect to both climate protection and climate strategy.

DIRECT AND INDIRECT GHG EMISSIONS

In million tons of CO₂e



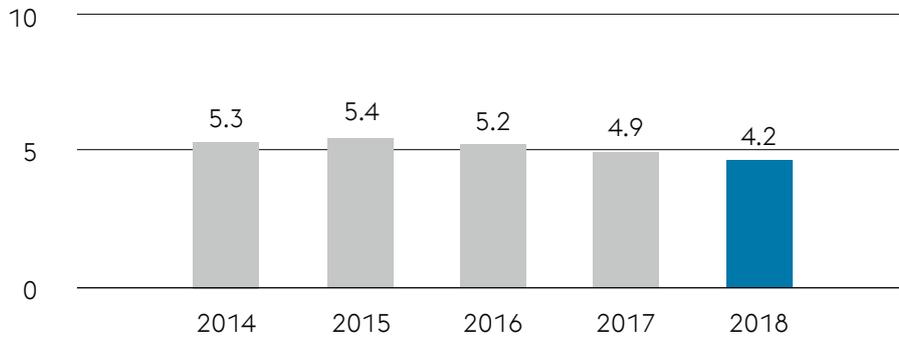
11.4.2 SO₂ EMISSIONS

The use of particular raw materials—e.g., coal and coke—introduces sulfur into the production process. In turn, this creates sulfur dioxide (SO₂) during particular processing steps and when by-products (coke oven gas (COG) and blast furnace gas (BFG)) are used for thermal recycling.

The specific SO₂ emissions in the calendar year 2018 were 0.44 kg/t of product, but the absolute SO₂ emissions were lower due to the idling of the plant during the complete overhaul of Blast Furnace A at the Group's Linz site.

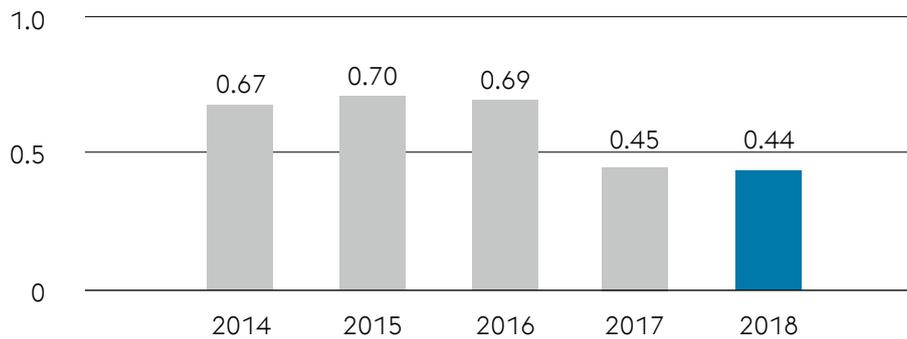
SO₂ EMISSIONS

kt



SPECIFIC SO₂ EMISSIONS

kg/t of product



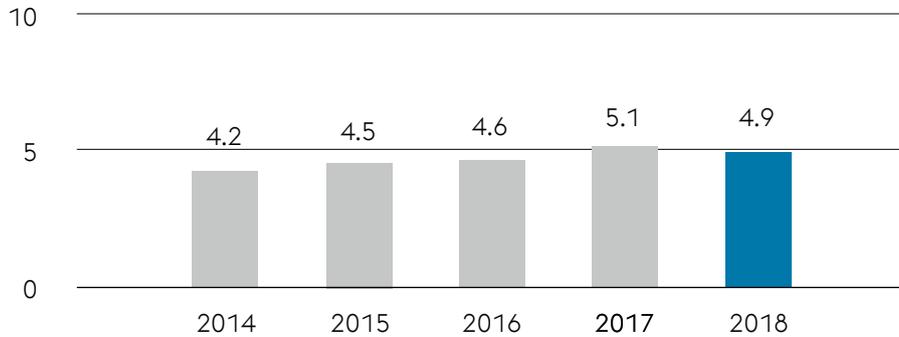
11.4.3 NO_x EMISSIONS

In steel production, nitrogen oxides result from the operation of industrial furnaces and from thermal recycling of the by-product gases. voestalpine's absolute NO_x emissions in the

calendar year 2018 were about 4.9 kt, and the specific NO_x emissions were about the same as in the previous year.

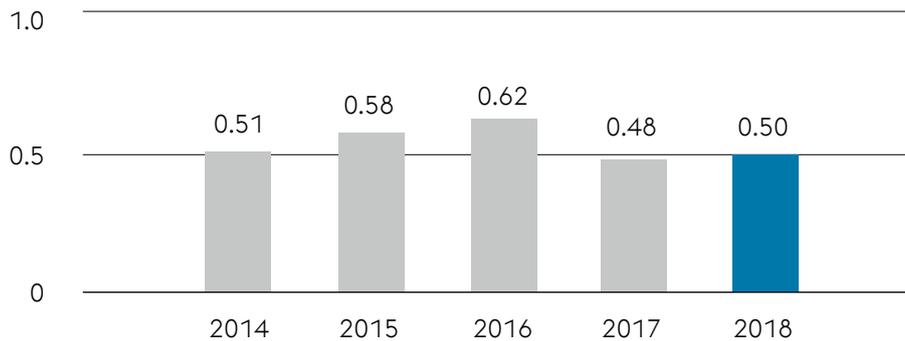
NO_x EMISSIONS

kt



SPECIFIC NO_x EMISSIONS

kg/t of product



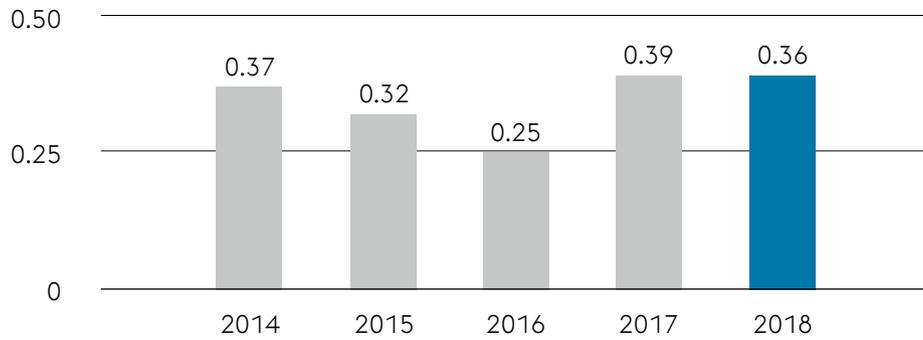
11.4.4 CAPTURED DUST EMISSIONS

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. While absolute dust emissions rose in 2017 due to the start of full operations at the direct reduction

plant in Corpus Christi, Texas, USA, a slight decline was recorded in 2018. At 37 g/t of product, voestalpine's specific dust emissions during the reporting period remained at a very low level.

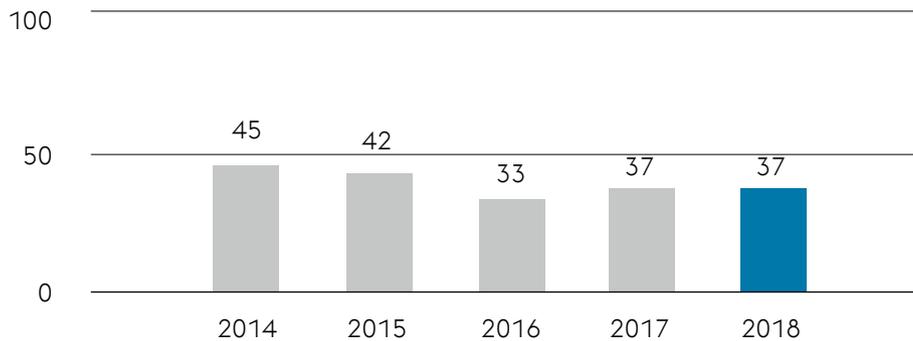
CAPTURED DUST EMISSIONS

kt



SPECIFIC CAPTURED DUST EMISSIONS

g/t of product



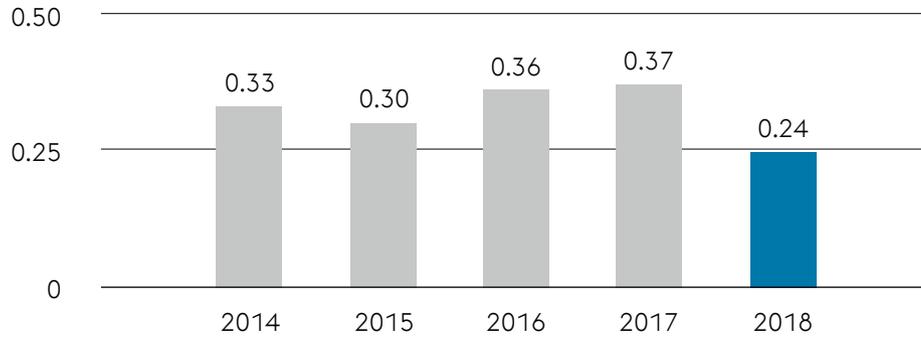
11.4.5 ORGANIC AIR POLLUTANTS

Organic air pollutants (VOC) are primarily process related, resulting from the thermal process stages in crude steel production and/or in the respective combustion processes. Regenerative afterburning was installed at the Linz facility in connection with the drying of coal; 2018 was the first year during which it was in operation throughout.

This made it possible to de facto eliminate VOC emissions from this area of the facility, which had a significant effect on the absolute VOC emissions of the Group on the whole. The specific VOC emissions fell to a new minimum level of 24 g/t of product.

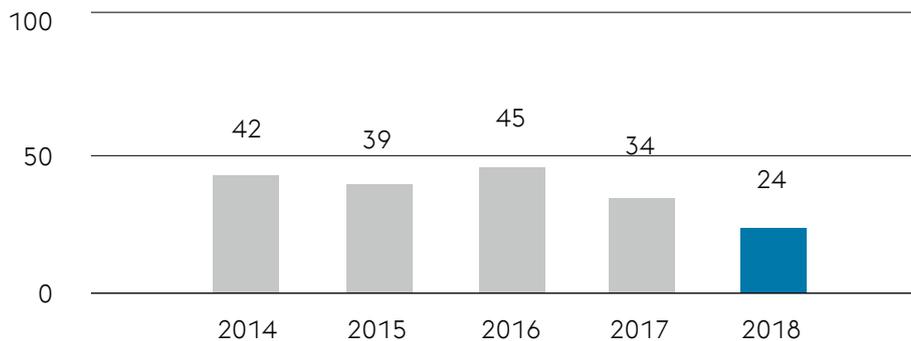
VOC EMISSIONS

kt



SPECIFIC VOC EMISSIONS

g/t of product



11.5 WATER MANAGEMENT

Water is used in the production of both pig iron and crude steel for cooling and generating steam; it is one of the most important consumables and auxiliary materials. It goes without saying that voestalpine conserves water resources as a matter of course—especially taking the local environment into account. This is achieved by means of circular systems and the repeated use of process water, among other things.

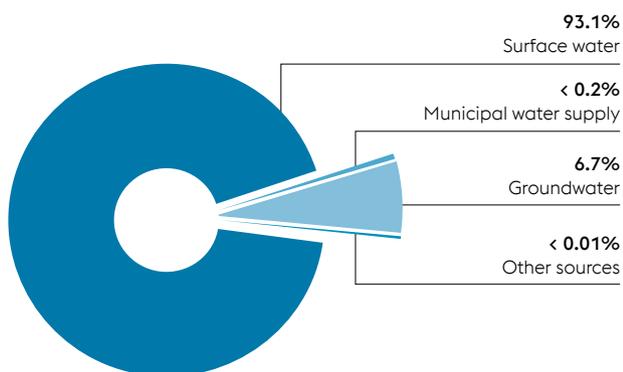
In keeping with ISO 14046, voestalpine applies an integrated life cycle assessment approach to its circular water economy throughout all production steps and locations.

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

voestalpine used approximately 687 million m³ of water in the calendar year 2018, but some 93% of this amount was used solely for cooling purposes. The water was sourced from surface water and returned to the source in the same quality. Accordingly, the company’s direct blue water consumption in the calendar year 2018 was 12.7 million m³ or 1.32 m³/t of product. Upstream steel production accounted for most of the indirect blue water consumption of 48.6 million m³ or 5.03 m³/t of product.

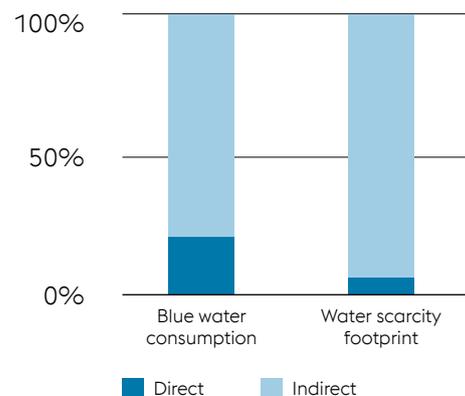
The impact of voestalpine’s process plants on local water systems thus is relatively low and does not aggravate conditions in regions already affected by water scarcity. There are the findings of an externally verified study on the determination of the water scarcity footprint in 2018, which plotted a Group-wide analysis of the production activities along the entire value chain (i.e., from cradle to gate).

WATER EXTRACTION 2018



WATER FOOTPRINT voestalpine AG

In %



11.6 WASTE AND RECYCLING MANAGEMENT

In addition to conserving resources in both production and processing, voestalpine also focuses on improving the useful life of its products as well as their reusability and recoverability. voestalpine endeavors to achieve the most complete possible circular economy, even with respect to by-products resulting from production as well as residual products and waste.

Steel is considered a permanent material, i.e., a raw material that may be recycled any number of times without any loss in quality. The steel mills of the High Performance Metals Division operate electric furnaces and produce highest-grade steel products from own and third-party scrap as well as alloy additives. In 2018, the recycling rate of iron relative to the product output at voestalpine’s crude steel production plants in Linz and Donawitz was 30.0%*.

Process management in the integrated steel mills is optimized on an ongoing basis to ensure

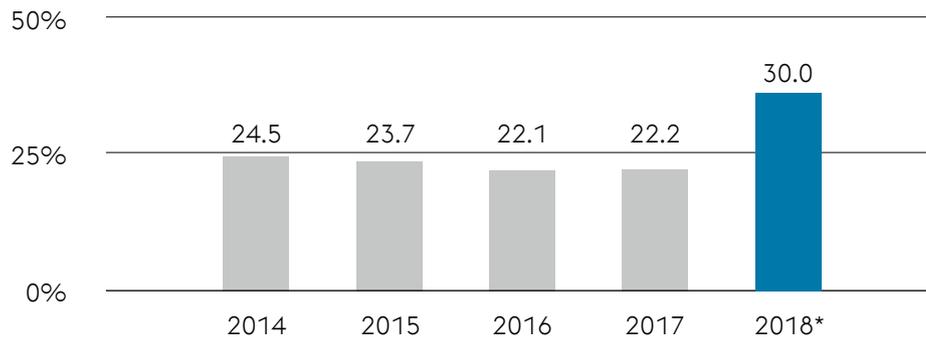
a high degree of internal recycling and external utilization of residual products and waste from both the production machinery and the downstream machinery (e.g., filter dust and mill scale). Furthermore, products, residual materials, and waste that accumulate externally are also utilized in voestalpine’s production plants—scrap, in particular, but also plastic pellets as well as waste oil and used grease.

Due to their ingredients, many of the by-products generated in the production and downstream processing of pig iron and steel can be utilized as recycled materials in-house or as secondary raw materials in other industries (e.g., steel mill dust in the zinc industry or slag in the cement industry).

The specific volume of non-hazardous waste in 2018 was 132 kg/t of product. As in the previous year, the specific volume of hazardous waste was 22 kg/t of product.

RECYCLING RATE

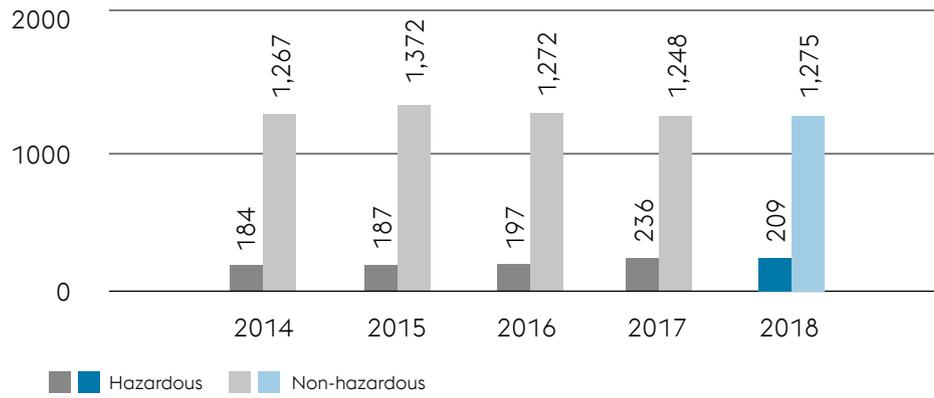
In %



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

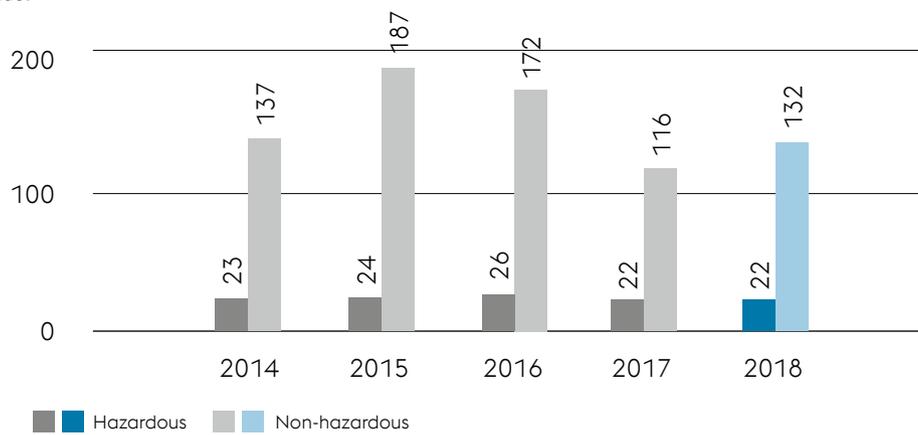
WASTE VOLUME

kt



SPECIFIC WASTE VOLUME

kg/t of product



11.7 ENERGY

Because it is both an environmental and a cost factor, the consumption of energy is a material parameter in steel production. Activities aimed at the efficient use of energy thus have a long tradition at voestalpine. In conventional, integrated steel mills, efficiency gains are achieved through the continual optimization of process gas recycling, the use of waste heat potentials, and comprehensive energy management systems.

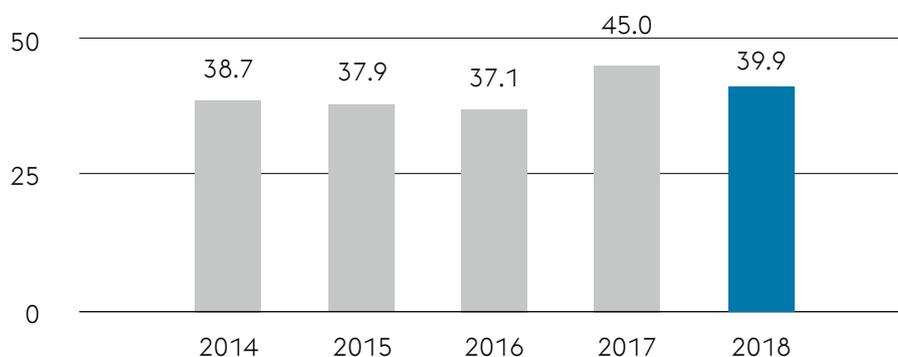
The total energy consumption of the voestalpine Group in the calendar year 2018 was 39.9 TWh (4.1 MWh/t of product), with Linz and Donawitz (the two facilities producing crude steel) as well as the newly built direct reduction plant in the United States recording the highest energy consumption by far.

Due to the extended operational shutdown during the complete overhaul of the Group's largest individual blast furnace (Blast Furnace A) in Linz, Austria, total energy consumption in absolute terms declined in 2018, but specific consumption remained largely unchanged year over year.

Coal (47.2%), coke (14.4%), and natural gas (31.1%) are the sources of energy that account for the lion's share of the energy consumed. By-product gases resulting from processes are fully reused in the steelmaking facilities' own power plants, with the result that their power needs are covered almost entirely through the in-house generation of electricity. Externally sourced electricity accounts for a mere 6.4% of total energy consumption.

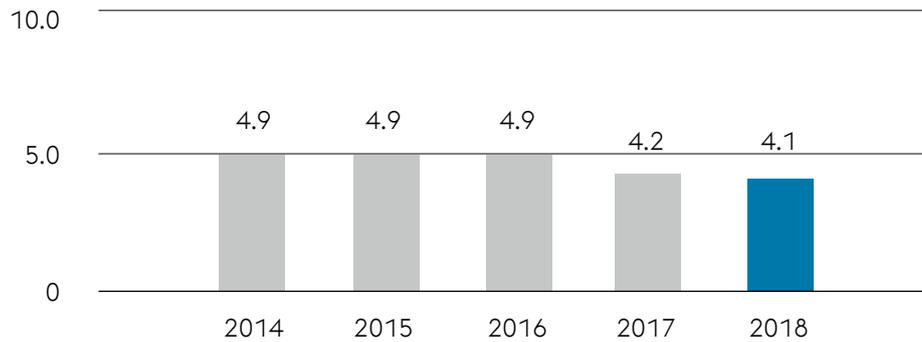
TOTAL ENERGY CONSUMPTION

TWh

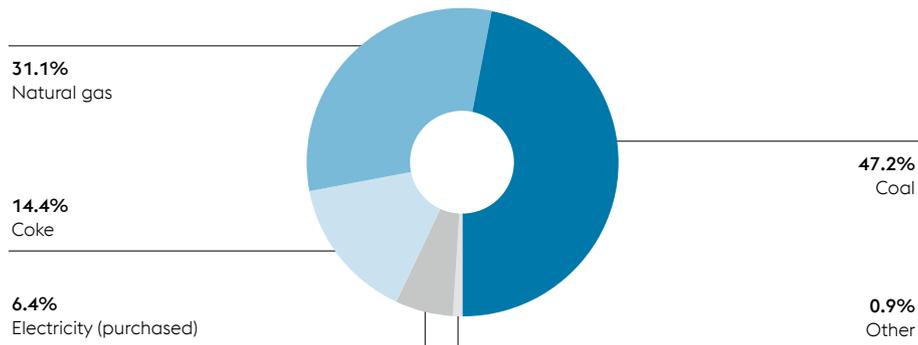


SPECIFIC TOTAL ENERGY CONSUMPTION

MWh/t of product



PERCENTAGE OF ENERGY SOURCES 2018



11.8 BIODIVERSITY

voestalpine treats all local ecosystems at its production facilities responsibly and contributes actively to the maintenance of biodiversity.

For example, some 20,000 m² of flower pastures were created in Linz, the Group’s largest production site. The resulting wildflower pasture provides an additional source of food for many types of insects—especially bees. “Insect hotels”

also provide breeding spaces for rare species. A project for establishing and managing several bee colonies at the site is currently being implemented; voestalpine employees with many years of beekeeping experience take care of them.

12. HUMAN RESOURCES

Our success as a technology group is based on our employees' particular expertise and high motivation. Hence voestalpine places great value in a respectful corporate culture, the diversity and individuality of our employees as well as their qualifications—all of which is reflected in the guiding principles of our 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.

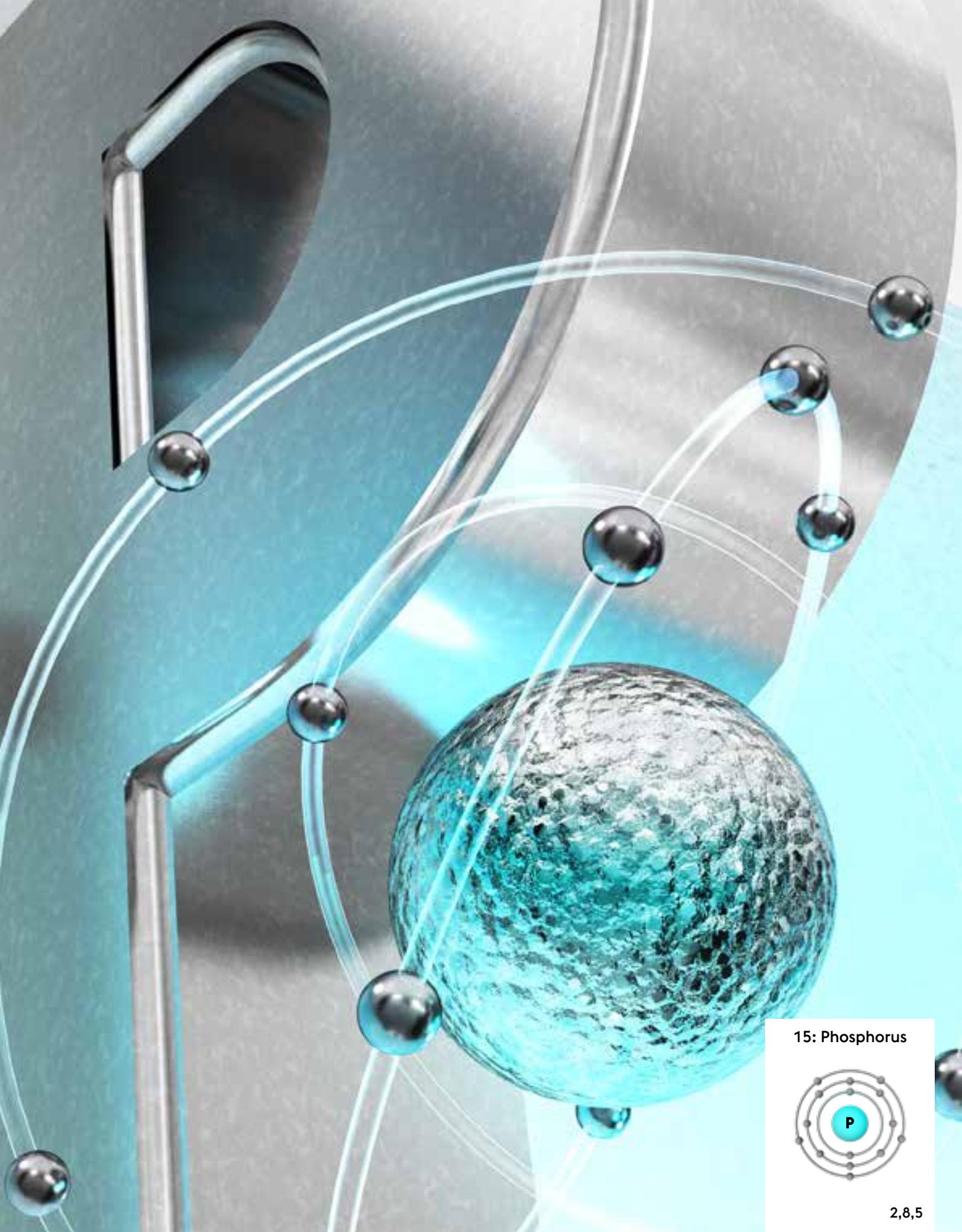
Diversity

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

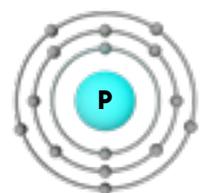
Training and Continuing Education

Targeted measures help voestalpine 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.





15: Phosphorus



2,8,5

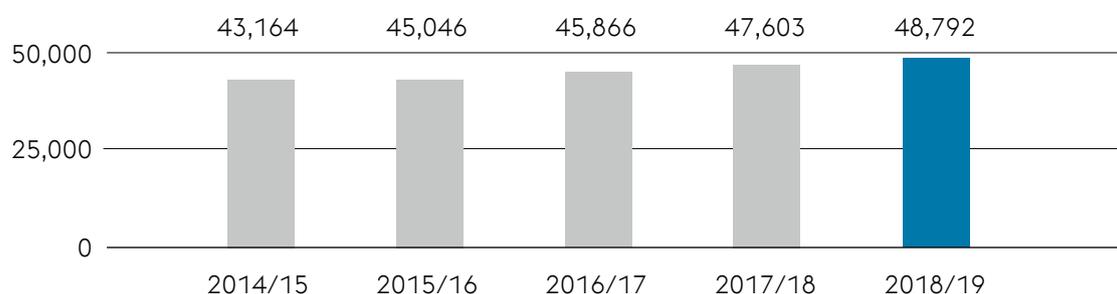
12.1 EMPLOYEE STRUCTURE

As of the annual reporting date (March 31, 2019), the voestalpine Group had a global workforce of 48,792 employees. Including 1,310

apprentices and 3,300 temporary employees, this number rises to 51,907 full time equivalents (FTEs).

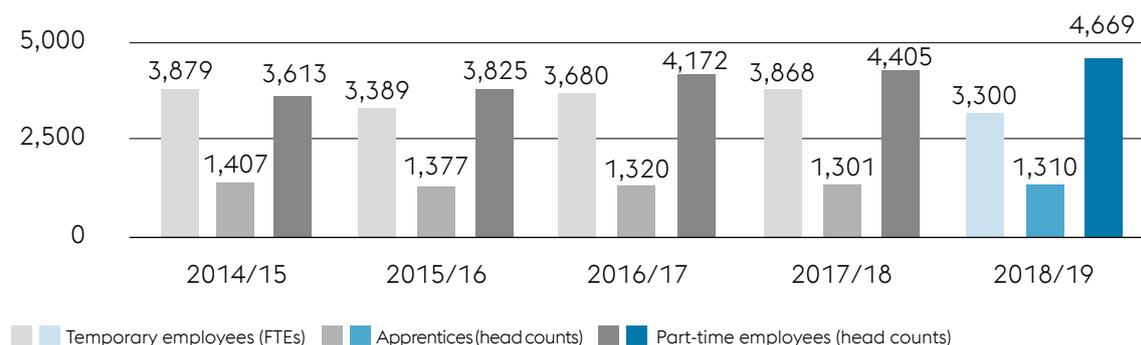
DEVELOPMENT OF THE NUMBER OF EMPLOYEES

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



EMPLOYEE STRUCTURE BY EMPLOYMENT CONTRACT

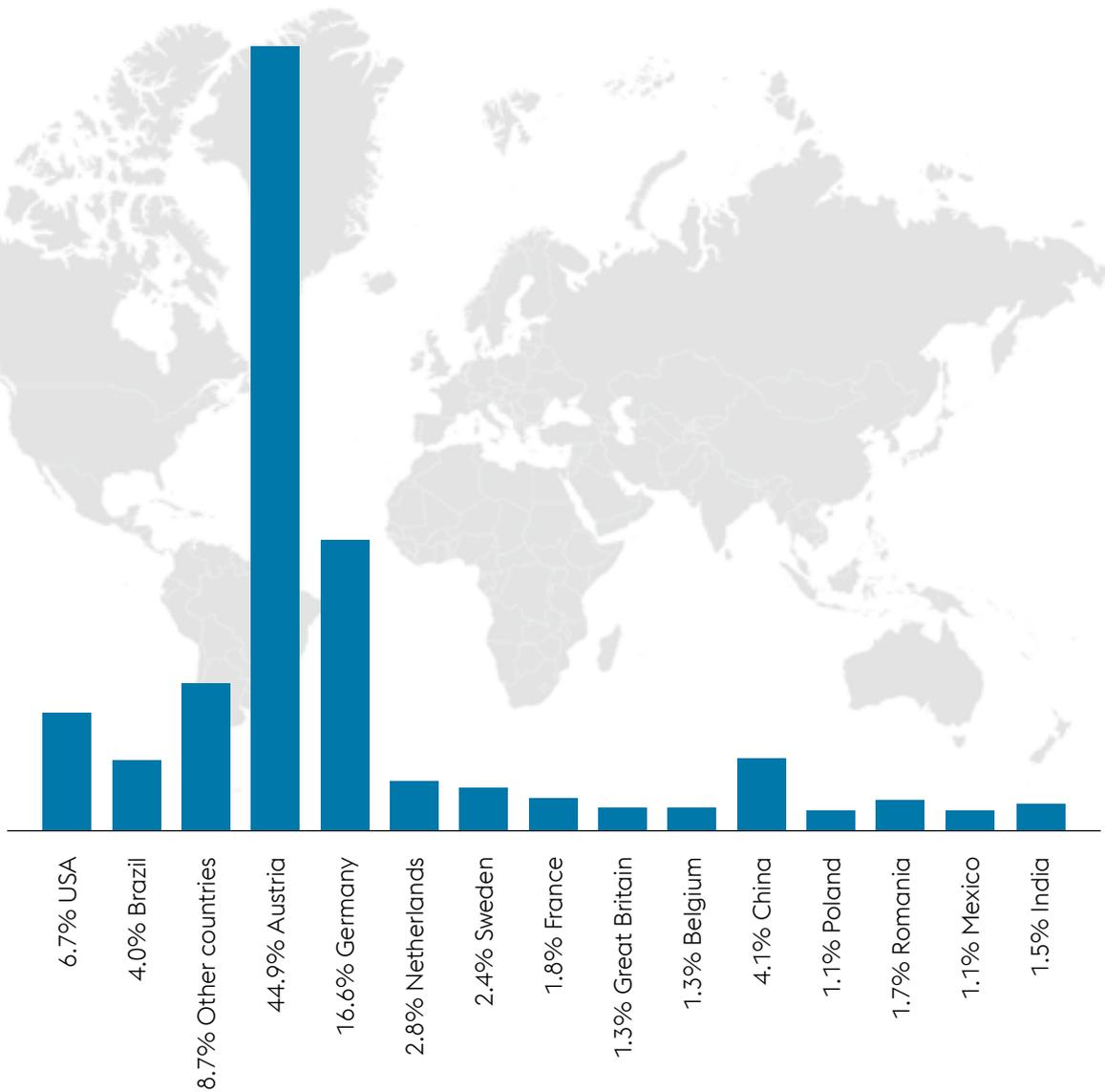
In each case as of the March 31 reporting date; excl. full time employees



12.1.1 EMPLOYMENT BY COUNTRY AND REGION

voestalpine has about 500 Group companies and sites in 50 countries on five continents. A total of 44.9% of the company's employees

are based in Austria, and 55.1% work at sites outside of the country.

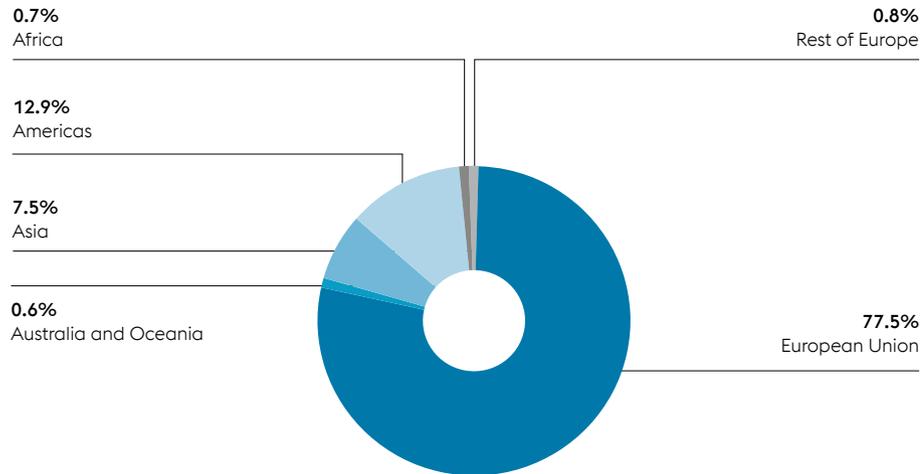


voestalpine is considered a particularly attractive employer in the countries in which it works. This facilitates local recruiting, with the result

that most employees at any given site are local residents.

WORKFORCE BY REGION

As of the March 31, 2019, reporting date, based on FTEs



German and English are the predominant languages in the voestalpine Group. The Group's most important publications are issued in these two languages, but in multiple other languages

as well. For example, the Code of Conduct, the Corporate Responsibility Factsheet, and the Employee Magazine are available in a total of 14 languages.

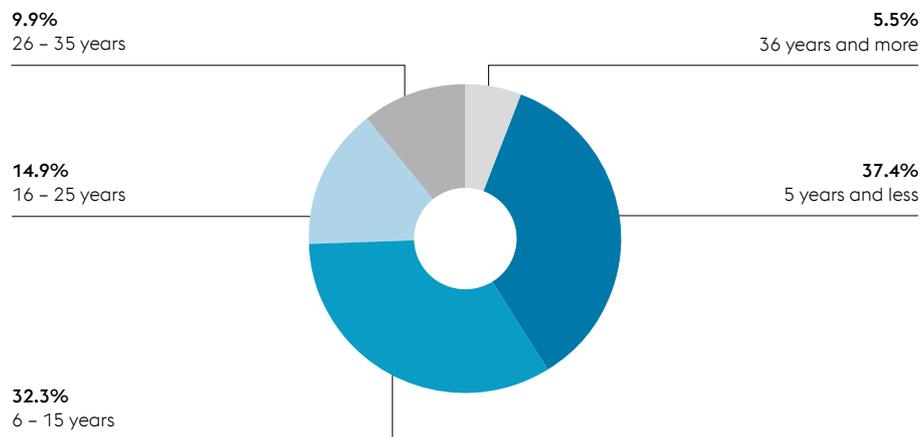
12.1.2 YEARS OF SERVICE AND EMPLOYEE TURNOVER

As in years past, in the business year 2018/19 employees who had up to five years of service with the Group were the largest employee group,

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

YEARS OF SERVICE

As of the March 31, 2019, reporting date



In the business year 2018/19, the turnover rate for employment contracts terminated by mutual agreement or by the employee was 7.5%. There were 33 applications for each

job opening, which reflects the rising trend in recent years and illustrates the attractiveness of voestalpine as an employer.

12.2 EQUALITY AND DIVERSITY

Globally, just under 52,000 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, religion or worldview, impairment, age, sexual orientation, and identity.

This commitment and corresponding actions create a climate of acceptance and mutual trust. As laid out in the chapter "Respect and Integrity" of the voestalpine Code of Conduct, the Group does not tolerate any form of discrimination.

12.2.1 DIFFERENTLY-ABLED INDIVIDUALS

In Austria, companies with more than 25 employees are required to make jobs available for differently-abled individuals. For reasons related to data protection, outside of Austria no

information is collected on employees' potential impairment. voestalpine fulfills all statutory obligations at all of its locations in this respect.

12.2.2 WOMEN AT voestalpine

As of the annual reporting date (March 31, 2019), women made up 14.4% of all employees in the voestalpine Group. The percentage of female workers among wage employees is 5.7%; among salaried employees it is 28.9%. As of March 31, 2019, women accounted for 12.5% of female executives (salaried employees with permanent staff responsibility, including forepersons, but

excluding members of the Management Board). There was a slight increase in the percentage of women in most of these categories. At 52.7%, the percentage of women among apprentices completing non-technical training (shown in the "Female apprentices (other)" category) is particularly high.

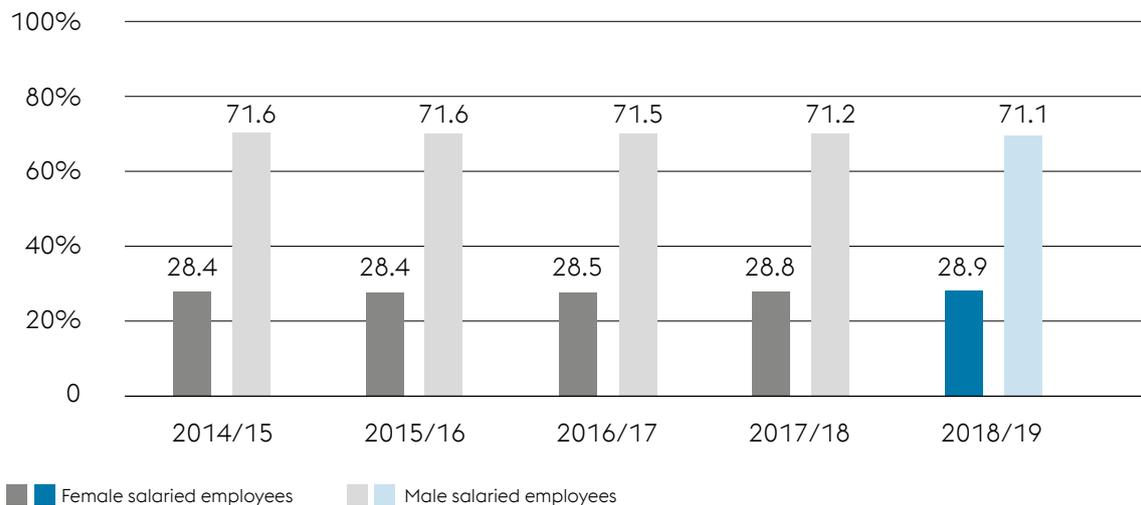
PERCENTAGE OF FEMALE EMPLOYEES

In each case as of the March 31 reporting date

	2014/15	2015/16	2016/17	2017/18	2018/19
Women overall	13.3%	13.1%	13.5%	13.8%	14.4%
Female executives	11.0%	12.0%	11.5%	12.3%	12.5%
Salaried female employees	28.4%	28.4%	28.5%	28.8%	28.9%
Wage female employees	4.1%	3.9%	4.5%	4.9%	5.7%
Female apprentices (technical)	12.1%	11.8%	12.4%	13.5%	13.4%
Female apprentices (other)	55.9%	55.2%	50.8%	47.4%	52.7%

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



12.2.3 AGE STRUCTURE OF EMPLOYEES

As of the annual reporting date (March 31, 2019), the average age of employees in the Group was 41.1 years.

The following table shows the average age by employment contract and gender.

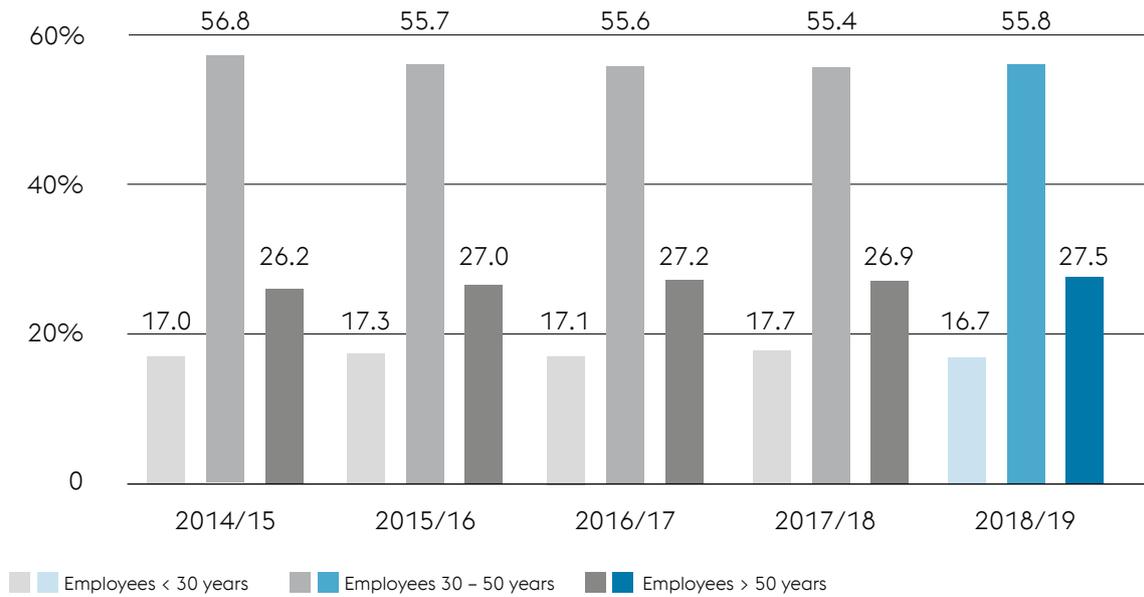
AVERAGE AGE OF EMPLOYEES

In each case as of the March 31 reporting date

	2014/15	2015/16	2016/17	2017/18	2018/19
Wage employees	40.4	40.5	40.5	40.4	40.4
Salaried employees	42.1	42.3	42.2	42.4	42.3
Women	39.7	39.8	39.5	39.7	39.9
Men	41.3	41.4	41.4	41.3	41.4

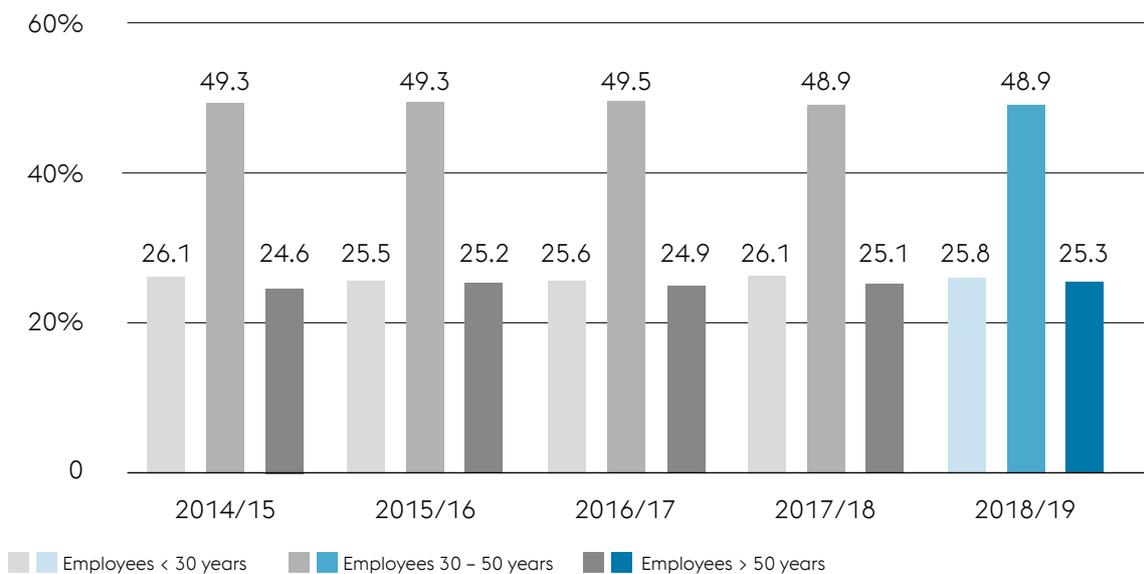
SALARIED EMPLOYEE STRUCTURE BY AGE GROUP

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



12.3 ATTRACTIVENESS AS AN EMPLOYER

12.3.1 EMPLOYEE SURVEY

voestalpine regularly conducts a Group-wide employee survey. To date, it has done so every three years; in the future, it will take place every two years. Currently, the survey is being converted to an online-only format with a much shorter questionnaire. These adjustments will lead to simpler processing of the survey, quicker preparation of the results, and a less complex process of analyzing the survey's findings. In the future, interim surveys conducted at the level of

individual companies, i.e., separately from the Group-wide survey, will offer greater flexibility and autonomy. But the key indicator—"commitment"—will be measured in the future too. It describes the emotional and intellectual degree of loyalty to a group or organization and is compiled from a number of different questions. As in the past, actions resulting from the findings of the survey will be consistently implemented.

12.3.2 EMPLOYER BRANDING

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

The regular voestalpine employee survey serves as a barometer of employee satisfaction and results in the development of internal measures aimed at improving it. 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 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.

APPLICANT MANAGEMENT SYSTEM (FABIS)

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. Switching to a new software provider in October 2018 helped us to take additional steps to

improve the system. The new version of FABIS ensures better linking with other portals (including those of external providers), a visually more pleasing design as well as an application form that is easier to use. The fact that all processes, including data processing, conform to the General Data Protection Regulation (GDPR) is particularly important.

12.4 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 promote employee training and continuing education and simultaneously serve to expand their career opportunities. The total expenditure for human resources

development in the business year 2018/19 exceeded EUR 54 million. A total of 84.8% of all Group employees took part in training and continuing education programs. In the business year 2018/19, the total volume of training hours was 913,078, i.e., an average of 22.1 hours per trained employee.

12.4.1 EXECUTIVE TRAINING PROGRAMS

voestalpine relies on the so-called "value:program" it developed for training current and future executives. A total of 176 employees from 24 countries participated in this multi-level leadership program during the business year 2018/19. Of these, 15.9% 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 representatives 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 the Group-wide interest in ensuring that employees possess advanced qualifications make the value:program extremely successful and unique.

HIGH MOBILITY POOL

The "High Mobility Pool" executive development program is carried out annually to develop international talent. Under this program, young, international graduates with a few years of professional experience carry out project work worldwide at a high level. Purposefulness, flexibility, self-directedness, knowledge

of management methods, and excellent communication skills are the prerequisite for being successful in this program. It gives young, talented individuals the opportunity to learn a lot and to promote international networks within the Group through a range of projects.

12.4.2 PROFESSIONAL ACADEMIES

In addition to its proven programs for executives and specialists, voestalpine AG 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. Both guiding values and corporate responsibility are also explored. The voestalpine Group believes that, besides a high level of professional expertise, these capabilities and competencies are important factors in employees' successful future advancement.

YOUNG PROFESSIONALS TRAINING PROGRAM (YPTP) REFRESHER

In 2015, voestalpine launched its own training program in China. In the four years since then, it has provided comprehensive training to 146 Chinese employees on, among other things, Group know-how, competence in communications and presentations as well as negotiating and project management skills. The very first refresher program for YPTP graduates was carried out in 2018. Thirty select participants who had completed the YPTP in 2015 and 2016 were

invited to a three-day refresher training. Here too the focus was on the mutual exchange of experiences and networking within the Group. The participants also had the option of reinforcing their negotiating and project management skills. A successful "Finance for Non-Finance Managers" course rounded out the offerings. It focused on a professional understanding of financial indicators as well as their interpretation and application in practice.

12.5 APPRENTICES

As of the annual reporting date (March 31, 2019), 1,310 apprentices were being trained in the voestalpine Group in about 50 skilled trades, the majority (61.5%) at locations in Austria. A total of 21.1% of apprentices were being trained in Germany under the dual system. 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 the training of a single apprentice.

TRAINING AT voestalpine: TRADITION WITH A BRIGHT FUTURE

Training is a tradition at voestalpine. Under its “expect and encourage” maxim, the Group offers ideal conditions for people to give their best and have access to secure careers in a globally renowned company. So far, more than 25,000 young women and men have been trained as skilled employees at some 40 locations in Austria and Germany. Many of them achieved excellent results in regional and international competitions for apprentices and were honored as champions at the country, European, and world level.

But awards or titles are generally not foregrounded. What is important to voestalpine, instead, is that its current 1,310 apprentices believe that the company offers them good prospects for the future. Extraordinarily high final apprenticeship exam pass rates of 98.7% in Austria and Germany—of the Austrian graduates, 70% even did so with “good” or “excellent” grades—show that voestalpine’s approach to apprenticeships is the right way to go. This applies

also and in particular to young women, who are increasingly opting for technical jobs in the voestalpine Group. At the close of the business year 2018/19, women accounted for 13.4% of all apprenticeships in technical professions. Our apprentices have shown that the categorization of jobs as “typically” male or female no longer applies. At the 2018 apprenticeship competition in Upper Austria, for instance, female cutting machine operators of voestalpine won first and second place.

Digitalization is also becoming an ever more important issue in the training of apprentices. Digitalization projects and a new lab for electrical and automation technology in Kapfenberg, Austria, serve to enhance the company’s ability to impart digital skills. For example, future skilled workers are thus being trained for the world’s most advanced special steel plant that is being built in Kapfenberg and will be commissioned in 2021.

voestalpine TRAINERS MEETING & GROUP APPRENTICE DAY

Apprentices are successful also thanks to motivated trainers. They enrich the curriculum far beyond statutory requirements. Trainers shared their real-life experiences at the first voestalpine Trainers Meeting in March 2019. Here too the focus was on how to prepare and teach course content related to Industry 4.0. Every year, the Group Apprentice Day gives apprentices an opportunity to learn from each other. What

was already the sixth Apprentice Day was held in Linz, Austria, in 2018. A total of 350 apprentices from 40 locations in Switzerland, Germany, and Austria attended the event and were given the opportunity to participate in shaping it: by talking to the Management Board of voestalpine AG; in connection with the voestalpine quiz; during a tour of the plant; and in a competition for ideas.

12.6 THE STAHLSTIFTUNG

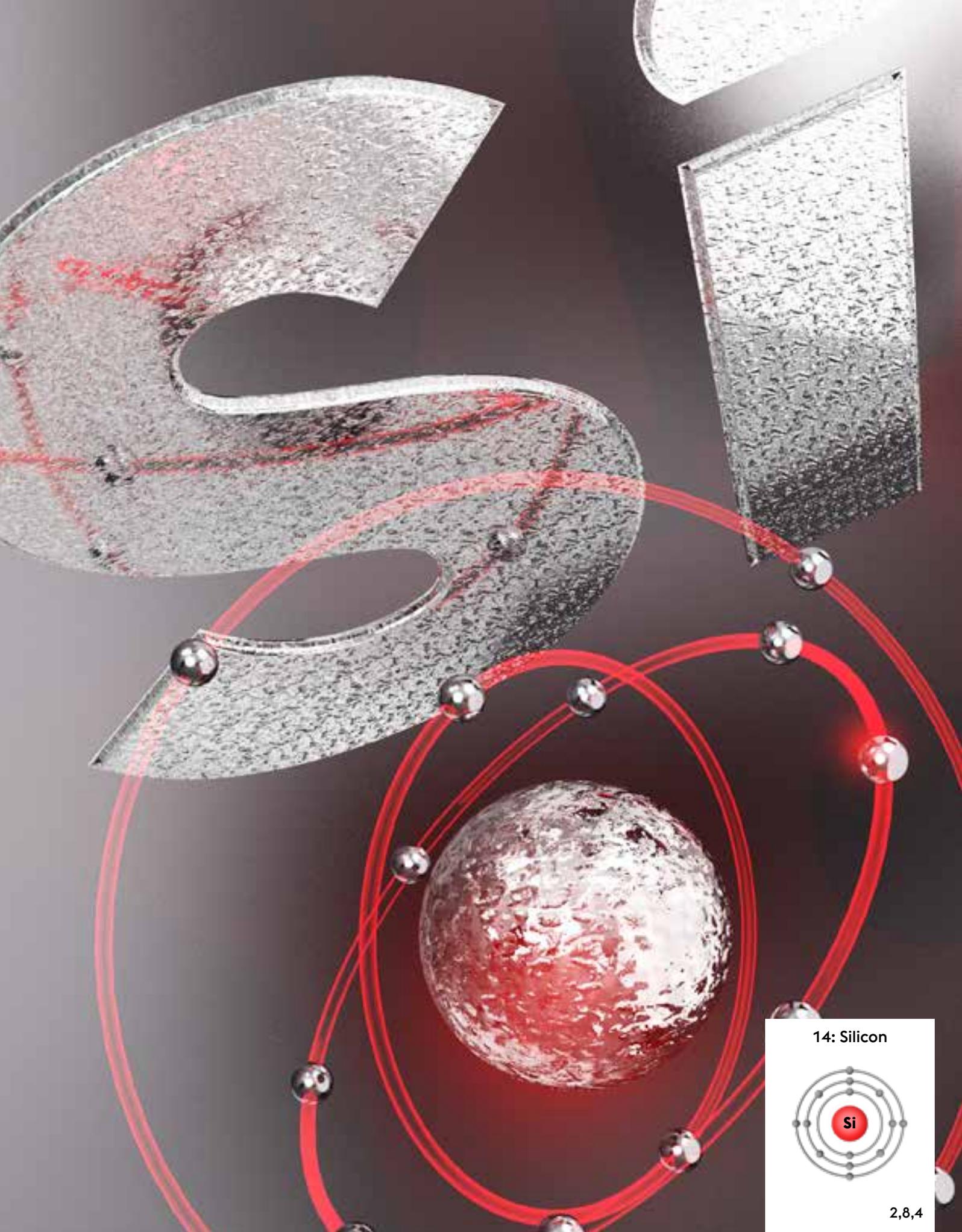
In 1987, the so-called “Stahlstiftung” (Steel Foundation) was founded in Linz as an employee fund with the aim of providing not only those employees of the VOEST-ALPINE Group (as it was called at the time) who had to leave the company due to a crisis, but also employees of companies outside of the Group 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 2018/19, about 88% 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, 2019), a total of 296 individuals were receiving assistance from the Stahlstiftung, 60.8% of whom were former employees of the voestalpine Group. The total number of active Stahlstiftung participants in the business year 2018/19 was 560, i.e., 17.2% less than in the previous year (676 individuals).

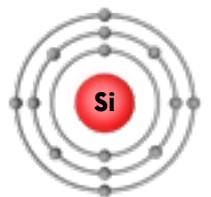
12.7 EMPLOYEE SHAREHOLDING SCHEME

voestalpine has had an employee shareholding scheme since 2001, which has been continually expanded since then. Today, the voestalpine Mitarbeiterbeteiligung Privatstiftung (employee foundation for the Group's employee shareholding scheme) is the second-largest voestalpine shareholder. 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, 2019, a total of 25,500 employees held about 24 million shares in voestalpine AG

through the voestalpine Mitarbeiterbeteiligung Privatstiftung, which constitutes 13.4% of the company's share capital due to the general bundling of voting rights. Furthermore, the voting rights of about 2.5 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 1.4% of the voting shares. In toto, as of March 31, 2019, 14.8% of voestalpine AG's share capital was owned by employees.



14: Silicon



2,8,4

13. health & safety



At voestalpine, human safety and health are fundamental values 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.

In our view, safety standards that apply Group-wide are the basis of a successful corporate health & safety (h&s) culture.

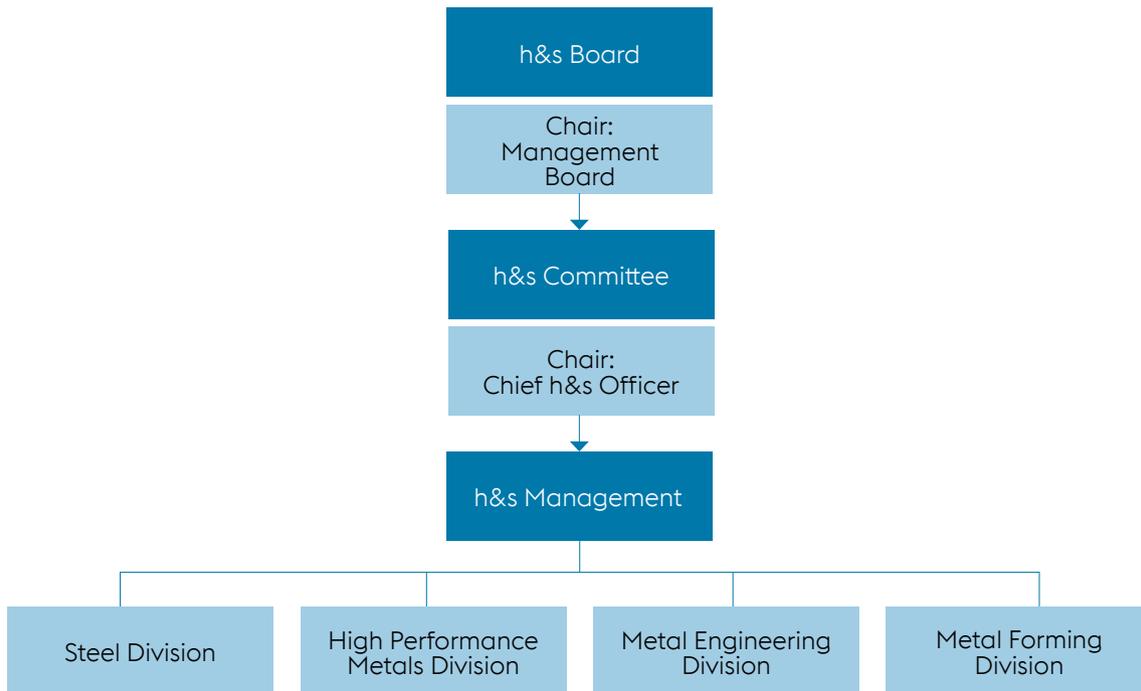


13.1 THE health & safety (h&s) SYSTEM

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. The department cooperates intensively with a health & safety Committee, which is made up of employees of all four divisions and Works Council representatives, to lower the frequency of accidents. The accident frequency rate has already been reduced by 30% since the department was established in 2015.

Within the voestalpine's health & safety system, a health & safety culture is developed that all employees throughout the Group are expected to embrace. Aside from the Chief health & safety Officer, the h&s Board, 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 avoided and documented by way of event analyses; appropriate actions must be devised in light of any such events and implemented.

The effectiveness of the Group-wide safety standards is reviewed annually using a Web-based tool. Targeted questions lead to an assessment based on a stoplight system (green/yellow/red). When matters are in the yellow or red zone, actions showing how the transition to green will be achieved must be put in place.

Starting in the business year 2018/19, the voestalpine Management Board member responsible for workplace safety has had to carry out an annual safety audit. The managing directors responsible for workplace safety at the production companies 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.

13.2 LOST TIME INJURY FREQUENCY RATE

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

There are large differences in the definitions of reportable workplace accidents, lost days, and working hours in the individual countries in which voestalpine works. Hence a uniform definition was put in place at the Group level. It has governed the figures that have been collected since the business year 2015/16. As a result,

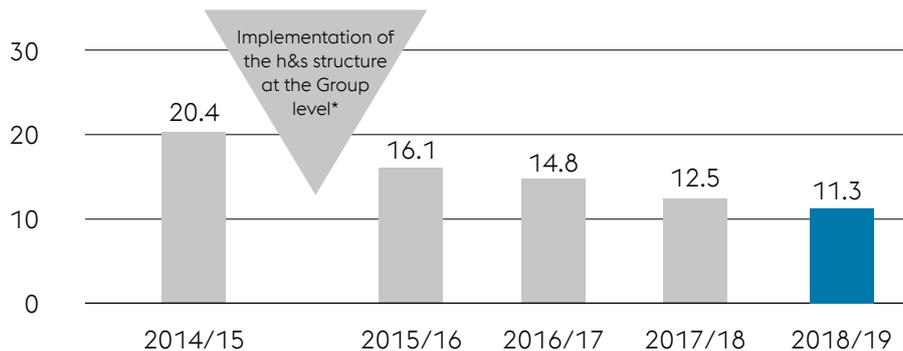
the figures compiled before this date cannot be compared to the ones compiled after it.

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

In the business year 2018/19, not a single fatal work-related 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

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

Just as in 2018, this year too the safety experts of all four divisions were invited to share their experiences during the so-called health & safety Days. The first-ever separate event for European safety experts who do not speak German was held in Düsseldorf in May 2019. The German-speaking safety experts met in Leoben in June 2019.

“Learning From Each Other” and “Developing a Strong Safety Culture” were the events’ mottos. At both events, Group companies were audited, and

positive examples from the divisions were introduced and given the Committee’s health & safety Award.

Six best practice examples among others were honored at the health & safety Days in Leoben. The “One Step Ahead—Get Home Safely” campaign of voestalpine Rotec GmbH is but one example. Small groups were formed to engage in discussions with employees and educate them about workplace safety.

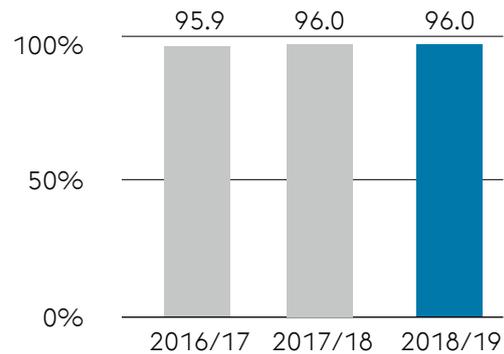
13.3 HEALTH STATUS

The health status shows the percentage of prescribed working hours during which the employees are actually present in 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



13.4 ISO 45001

Many voestalpine Group companies have already been certified under an occupational safety and health management system.

The certification pursuant to the new international ISO 45001 standard is carried out in connection with recertifications pursuant to OHSAS 18001.

13.5 WORKPLACE SAFETY AT CONTRACTORS / THIRD-PARTY COMPANIES

voestalpine also endeavors to protect the life and health of third-party employees.

Binding guidelines that the employees of contractors and third-party companies must comply with have been issued to this end.

14. SOCIETY

voestalpine's companies engage with their regional environment in multifaceted ways. At the Group level, two projects above all were intensely supported and promoted.

Formula E

Starting with the 2018/19 season, voestalpine has been the main sponsor of all European races of the ABB FIA Formula E Championship. The so-called "voestalpine European Races" are street races that feature cars powered by fully-electric drive technology and link true motorsport ambiance with sustainability. voestalpine is the perfect partner for this up-and-coming racing series: After all, the technology group has been driving the future of mobility for years through continuous development of innovations and new product solutions.

In the 2018/19 season, the "voestalpine European Races" took place in Rome, Paris, Berlin, Monaco, and Bern. The driver who came out on top after all five races was awarded the trophy that voestalpine had manufactured using 3D printing technology.

For more information on the collaboration between voestalpine and Formula E, visit:

<https://www.voestalpine.com/formele/home/>

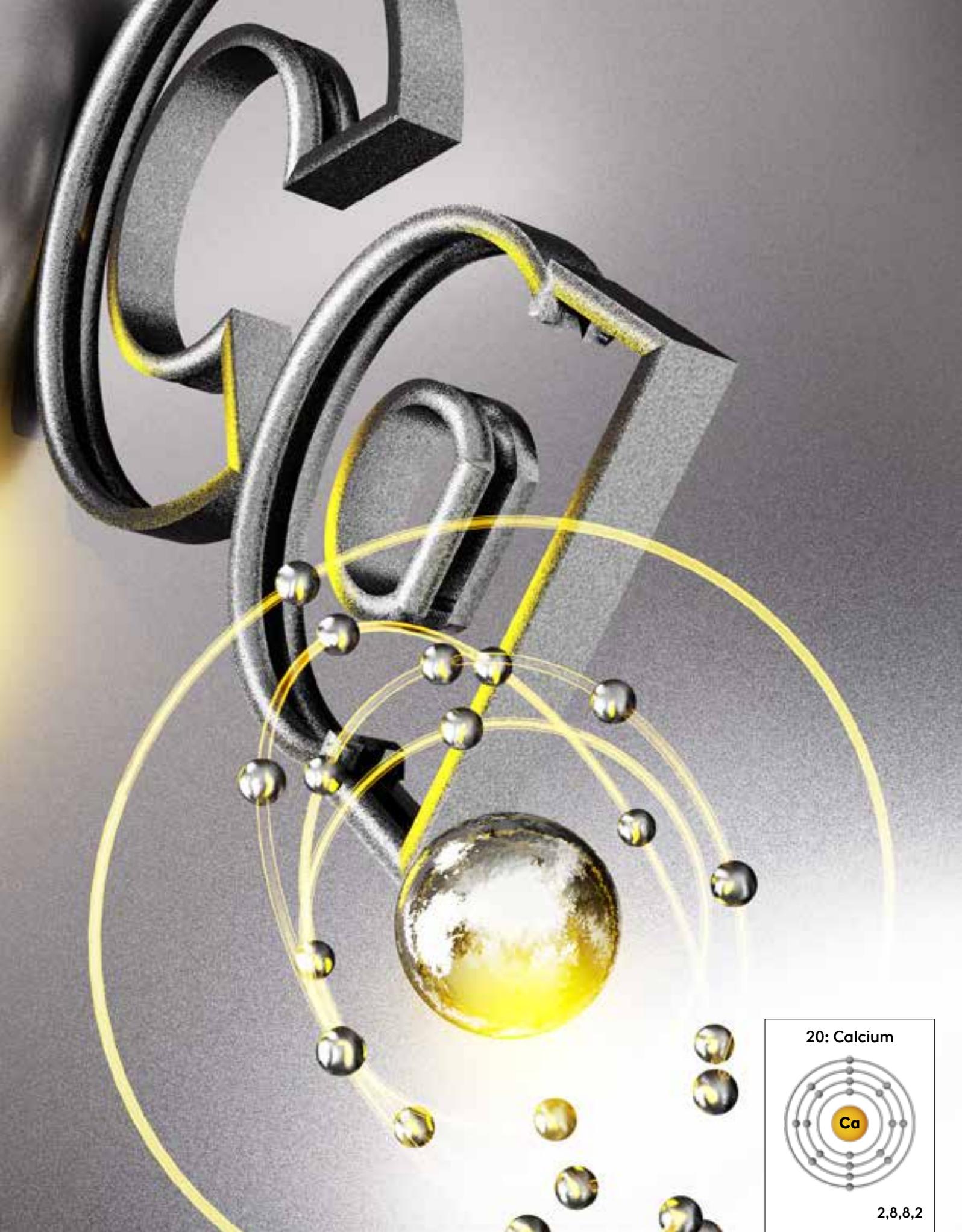
Apprenticeships for young asylum seekers

When it comes to promoting young, skilled workers, voestalpine has an excellent reputation. Young people entitled to asylum in Austria have had the right since 2016 to benefit from the company's thorough apprenticeship program. These apprenticeships are part of voestalpine's refugee and integration action package. The Group believes that education and access to the labor market in particular are important elements of integration.

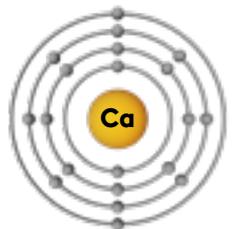
The apprenticeships were established above and beyond the existent allotments and are available solely to young people who have been

granted asylum so as to ensure that no apprenticeships have to be abandoned at some point. Currently, 14 young asylum seekers are being trained at voestalpine's facilities in Linz, Donawitz, and Kapfenberg. They can take language courses in their free time above and beyond the formal German language instruction that is part of their training.

The apprentices show a great deal of commitment and willingness to learn, have made significant progress both linguistically and professionally, and are performing very well in vocational school.



20: Calcium



2,8,8,2

THE MANAGEMENT BOARD

voestalpine AG

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

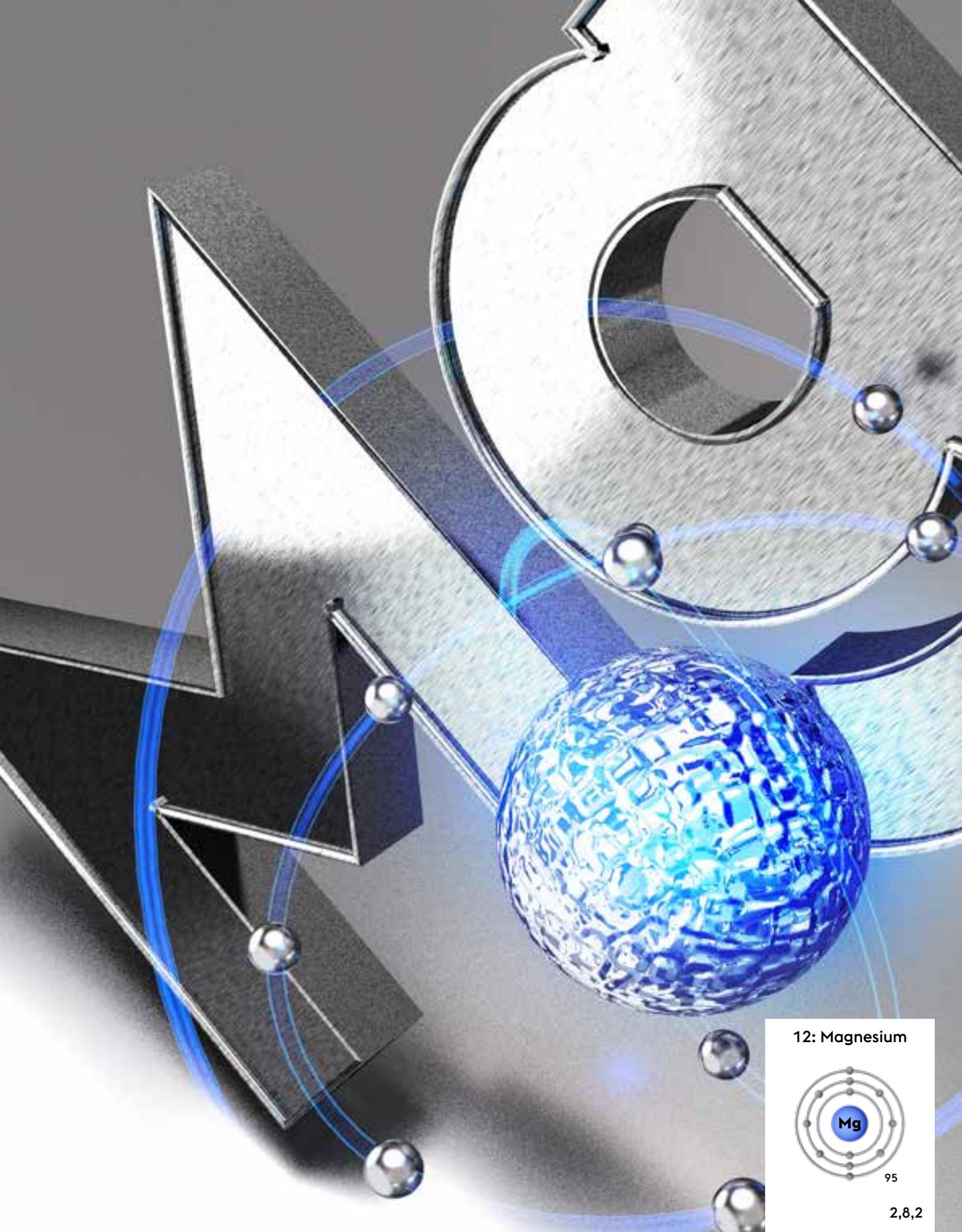
Franz Rotter

Peter Schwab

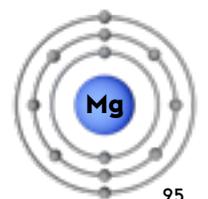
Hubert Zajicek

Linz, September 09, 2019

voestalpine
ONE STEP AHEAD.



12: Magnesium



95

2,8,2

15. APPENDIX

15.1 GRI CONTENT INDEX

GRI Code	Description	Reported	Reference / Explanation	UNGC
102	GENERAL DISCLOSURES			
	Organizational Profile			
102-1	Name of the organization	●	p. 8	
102-2	Activities, brands, products, and services	●	pp. 16-18	
102-3	Location of headquarters	●	p. 16	
102-4	Location of operations	●	AR pp. 6-7, 220-232	
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. 74-76	6
102-9	Supply chain	●	p. 37	
102-10	Significant changes to the organization and its supply chain	●	AR pp. 120-123 Ownership and structure of voestalpine are largely unchanged. Changes in the scope of consolidation are depicted in the AR.	
102-11	Precautionary Principle or approach	●	pp. 55-56; AR pp. 58-63	
102-12	External initiatives	●	voestalpine is a participant of the UN Global Compact and a signatory of the worldsteel Sustainable Development Charter and Diversity Charter.	
102-13	Membership of associations	●	pp. 103-106	
	Strategy			
102-14	Statement from senior decision-maker	●	pp. 6-7	

GRI Code	Description	Reported	Reference / Explanation	UNGC
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	●	pp. 36-37, 42, 44-45, 52, 58, 72, 88	10
Governance				
102-18	Governance structure	●	pp. 23, 94; AR pp. 10-15	
Stakeholder Engagement				
102-40	List of stakeholder groups	●	p. 20	
102-41	Collective bargaining agreements	●	p. 51	3
102-42	Identifying and selecting stakeholders	●	p. 20	
102-43	Approach to stakeholder engagement	●	pp. 20, 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. 220-232	
102-46	Defining 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 regarding the report	●	p. 110	
102-54	Claims of reporting in accordance with the GRI Standards	●	p. 8	
102-55	GRI content index	●	pp. 96-101	
102-56	External assurance	●	pp. 108-109	

GRI Code	Description	Reported	Reference / Explanation	UNGC
200 series ECONOMIC				
201 Economic Performance				
103	Management approach disclosures	●	pp. 30-34	7
201-1	Direct economic value generated and distributed	●	AR pp. 32-42, 88-89	
201-2	Financial implications and other risks and opportunities due to climate change	●	pp. 30-34	7
201-3	Defined benefit plan obligations and other retirement plans	●	AR pp. 163-168	
204 Procurement Practices				
103	Management approach disclosures	●	pp. 36-41	
204-1	Proportion of spending on local suppliers	●	p. 41	
205 Anti-corruption				
103	Management approach disclosures	●	pp. 42-48	10
205-2	Communication and training about anti-corruption policies and procedures	●	p. 47	10
206 Anti-competitive Behavior				
103	Management approach disclosures	●	pp. 42-48	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	AR pp. 169-170	

GRI Code	Description	Reported	Reference / Explanation	UNGC
300 series	ENVIRONMENTAL			
301	Materials			
103	Management approach disclosures	●	pp. 56-59, 68	8
301-2	Recycled input materials used	●	p. 68	8
302	Energy			
103	Management approach disclosures	●	pp. 56-59, 70	7, 8
302-1	Energy consumption within the organization	●	pp. 70-71	7, 8
302-3	Energy intensity	●	p. 71	8
303	Water			
103	Management approach disclosures	●	pp. 56-59, 67	7, 8
303-1	Water withdrawal by source	●	p. 67	7, 8
303-2	Water sources significantly affected by withdrawal of water	●	p. 67	8
305	Emissions			
103	Management approach disclosures	●	pp. 56-59, 61-62	7, 8, 9
305-1	Direct (Scope 1) GHG emissions	●	p. 62	7, 8
305-2	Energy indirect (Scope 2) GHG emissions	●	p. 62	7, 8
305-3	Other indirect (Scope 3) GHG emissions	●	p. 62	7, 8
305-5	Reduction of GHG emissions	●	pp. 32-34	8, 9
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	●	pp. 61, 63-66	7, 8

GRI Code	Description	Reported	Reference / Explanation	UNGC
306	Effluents and Waste			
103	Management approach disclosures	●	pp. 56-59, 67-68	8
306-1	Water discharge by quality and destination	●	p. 67	8
306-2	Waste by type and disposal method	●	pp. 68-69	8
308	Supplier Environmental Assessment			
103	Management approach disclosures	●	pp. 36-41	8
308-1	New suppliers that were screened using environmental criteria	●	All new and existing raw materials suppliers for steel production were screened according to environmental criteria.	8
400 series	SOCIAL			
401	Employment			
103	Management approach disclosures	●	pp. 72, 82; http://www.voestalpine.com/group/en/jobs/working-at-voestalpine/	6
401-1	New employee hires and employee turnover	●	p. 77	6
403	Occupational Health and Safety			
103	Management approach disclosures	●	pp. 88-89, 91	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	●	pp. 90-91	
404	Training and Education			
103	Management approach disclosures	●	pp. 72, 83-85	6
404-1	Average hours of training per year per employee	●	p. 83	6
404-2	Programs for upgrading employee skills and transition assistance programs	●	pp. 83-86	6

GRI Code	Description	Reported	Reference / Explanation	UNGC
405	Diversity and Equal Opportunity			
103	Management approach disclosures	●	pp. 72, 78	6
405-1	Diversity of governance bodies and employees	●	pp. 78-81; AR pp. 10-15	6
407	Freedom of Association and Collective Bargaining			
103	Management approach disclosures	●	pp. 50-51	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	p. 51	3
414	Supplier Social Assessment			
103	Management approach disclosures	●	pp. 36-41	2
414-1	New suppliers that were screened using social criteria	●	All new and existing raw materials suppliers for steel production were screened according to social criteria.	2
415	Public Policy			
103	Management approach disclosures	●	pp. 42-48	10
415-1	Political contributions	●	In the reporting period, voestalpine did not make any donations or other contributions to politicians or political parties.	10

LEGEND
 ● Fully reported
 ● Partially reported

AR Annual Report 2018/19
 UNGC As a participant of the UN Global Compact, voestalpine must publish an annual progress report. The column labeled "UNGC" indicates which of the 10 principles are addressed in the respective description.

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 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.

ANTI-CORRUPTION

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

WE SUPPORT



15.2 MEMBERSHIPS

voestalpine AG and its Group companies are members of numerous associations, organizations, and special interest groups and 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).

Altstoff Recycling Austria Verein (Austrian Association for Recycling, ARA)	Austria
American Society of Safety Engineers (ASSE)	USA
Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (German Association for Occupational Pensions, ABA)	Germany
ARGE OÖ Arbeitsstiftungen (Upper Austria Employee Funds for Senior Homes)	Austria
Associação de Recursos Humanos (ARH Serrana)	Brazil
Association of Women in the Metal Industries (AWMI)	USA
Austrian Business Council for Sustainable Development (respACT)	Austria
Austrian Business School GmbH (LIMAK)	Austria
Austrian Research Promotion Agency (FFG)	Austria
Austrian Standards Institute	Austria
B.C. Human Resources Management Association	Canada
Bergmännischer Verband Österreichs (Austrian Miners Association)	Austria
Berufliches Bildungs- und Rehabilitationszentrum (Vocational Training and Rehabilitation Center, BBRZ)	Austria
British Standards Institution (BSI)	Great Britain
Bundesverband der Energieabnehmer (Federal Association of Energy Consumers)	Germany
Bundesverband der Personalmanager e.V. (Federal Association of HR Managers)	Germany
Bundesverband der PhysiotherapeutInnen Österreichs (Federal Association of Austria's Physiotherapists, Physio Austria)	Austria
Business Club for Railways	Hungary
CD-Labor für Alterung, Gesundheit und Arbeitsmarkt an der JKU (Ageing, Health, and Labor Market Lab at Johannes Kepler University)	Austria

Certified Human Resources Professionals	Canada
Christian Doppler Forschungsgesellschaft (a research institute, CDG)	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
Eco-Management and Audit Scheme (EMAS Austria)	Austria
Employers Association of Matraalja Area	Hungary
Engineering Employers Federation (EEF, now known as “Make UK”)	Great Britain
European Committee for Standardization (CEN)	Belgium
European Steel Technology Platform (ESTEP)	Belgium
Exchange for Business Angels (EXBA)	Germany
Forschungsgesellschaft für die technologische Industrie (Research Association for the Technological Industry, WTCM)	Belgium
Forschungsvereinigung Stahlanwendung e.V. (Research Association for Steel Applications, FOSTA)	Germany
Hong Kong People Management Association	Hong Kong
Industrie-Pensions-Verein e.V. (Association for Industrial Pensions, IPV)	Germany
Industry 4.0 Austria	Austria
Informelle Plattform österreichischer Arbeitsstiftungen (Informal Platform of Austrian Labor Funds)	Austria
Institut für Personal- und Organisationsentwicklung (Institute for Personal & Organizational Development at Johannes Kepler University, IPO)	Austria
Institute of Safety Management	USA
International High Speed Steel Research Forum (HSS Forum)	Germany

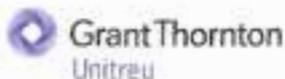
International Metallographic Society (IMS)	Austria
Kepler Society JKU	Austria
Kölner Spezial-Beratungs-GmbH für betriebliche Altersversorgung (Special Consultant for Company Pension Plans, Cologne)	Germany
Kompetenzzentrum für metallurgische und umwelttechnische Verfahrensentwicklung (Competence Center for Metallurgical and Environmental Process Development, COMET/K1-MET)	Austria
Korean Employers Federation	South Korea
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
Österreichische Gesellschaft für Arbeitsmedizin (Austrian Society for Occupational Safety and Health, ÖGA)	Austria
Österreichische Gesellschaft für Umwelt und Technik (Austrian Society for the Environment and Technology, ÖGUT)	Austria
Österreichische Vereinigung für Qualitätssicherung (Austrian Association for Quality Assurance, ÖVQ)	Austria
Österreichischer Energiekonsumenten-Verband (Austrian Association of Energy Consumers, ÖEKV)	Austria
Plattform für Innovationsmanagement (Platform for Innovation Management)	Austria
Public Relations Verband Austria (Austrian Public Relations Association, PRVA)	Austria
Rail Forum Europe (RFE)	Belgium
Railway Engineering-Maintenance Suppliers Association (REMSA)	USA
Railway Industry Association (RIA)	Great Britain
Rat für Forschung und Technologie für Oberösterreich (Council for Research & Technology in Upper Austria, RFT OÖ)	Austria
Research Fund for Coal and Steel (RFCS)	Belgium
ResponsibleSteel	Australia

Royal Society for the Prevention of Accidents (RoSPA)	Great Britain
Shanghai Institute of Labor and Social Security	China
Singapore National Employers Federation (SNEF)	Singapore
Society for Human Resources Management (SHRM)	USA
Solar Electric Power Association (SEPA)	USA
Stahlinstitut VDEh (Steel Institute, VDEh)	Germany
Stifterverband für die Deutsche Wissenschaft e.V. (Association for the Promotion of Education, Science, and Innovation)	Germany
Sustainable Process Industry through Resources and Energy Efficiency (SPIRE)	Belgium
The Austrian Society for Metallurgy and Materials (ASMET)	Austria
The Employers Association of Indonesia (APINDO)	Indonesia
The European Steel Association (EUROFER)	Belgium
The Women Secretaries & Administrative Professionals Association of Thailand (WSAT)	Thailand
Uni Management Club Linz (UNIMC)	Austria
United Nations Global Compact (UNGC)	USA
Verband Österreichischer Sicherheits-Ingenieure (Association of Austrian Safety Engineers, VÖSI)	Austria
Verein Deutscher Eisenhüttenleute (Association of German Steel Manufacturers)	Germany
Verein zur Förderung des Instituts für Umweltrecht (Association for the Promotion of the Institute for Environmental Law at JKU)	Austria
Verein zur Förderung von Forschung und Innovation (Association for the Promotion of Research & Innovation, vffi)	Austria
WingNet TU Wien	Austria
World Steel Association (worldsteel)	Belgium

15.3 GLOSSARY

CO ₂ e	CO ₂ equivalent, unit of measurement for standardizing the climate impact of various greenhouse gases
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: L rule (legal requirement): The rule is based on mandatory statutory provisions. C rule (comply or explain): The rule should be complied with. Any deviation therefrom must be explained and justified in order to be in compliance with the Code. R rule (recommendation): The rule worded as a recommendation; noncompliance need not be disclosed or explained. (Source: Austrian Corporate Governance Code as amended July 2012, Austrian Working Group for Corporate Governance, www.corporategovernance.at)
Dodd-Frank Act	US 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, depreciation, and amortization
EMAS	Eco-Management and Audit Scheme Regulation of the European Parliament and of the Council of Europe on the voluntary participation of organizations in a Community eco-management and audit scheme
FTE	Full time Equivalents: number of full time positions, mathematically speaking, computed on the basis of the working hours of both full time employees and parttime employees
HBI (hot briquetted iron) / DRI (direct reduced iron) technologie	Direct reduction of iron ore by means of reduction gas. The resulting product is solid sponge iron (DRI) or sponge iron pellets (HBI).
Head count	Actual number of individual employees
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
Load per annum	The amount of certain substances that are introduced into wastewater or the air, aggregated over the year
Scope 1, 2, and 3	Emission categories pursuant to the Greenhouse Gas Protocol

15.4 INDEPENDENT ASSURANCE REPORT



Independent Assurance Report on the Combined Consolidated Non-financial Report (CR Report) 2018/19

We have performed an independent assurance engagement in connection with the combined consolidated non-financial report 2018/19 (the „CR Report“) of

**voestalpine AG,
(„the Company“).**

Management's Responsibility

The Company's management is responsible for the proper preparation of the CR report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option „Core“) as reporting criteria.

The responsibility of the legal representatives of the company includes the selection and application of reasonable methods for sustainability reporting as well as the use of assumptions and estimates for individual sustainability reporting as well as the use of assumptions and estimates for individual sustainability disclosures that are reasonable under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems and processes relevant for the preparation of the sustainability reporting in a way that is free of – intended or unintended – material misstatements.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed, anything has come to our attention that causes us to believe that the CR report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option „Core“) in all material respects.

Our engagement was conducted in conformity with Austrian Standards for independent assurance engagements (KFS/PG 13) and in accordance with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel on corporate level, which are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;
- Risk assessment, including a media analysis on relevant information concerning the sustainability performance of the Company in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the disclosures on environmental, social and employees matters, respect for human rights and anti-corruption and bribery, including the consolidation of data;
- Inquiries of personnel on corporate level responsible for providing and consolidating and for carrying out internal control procedures concerning the disclosures on concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Analytical evaluation of the data and trend explanations of quantitative disclosures, submitted by all sites for consolidation at corporate level;
- Evaluation of the consistency of the requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) applicable for the Company and the GRI Standards (Option „Core“) with disclosures and indicators in the report;
- Evaluation of the overall presentation of the disclosures.



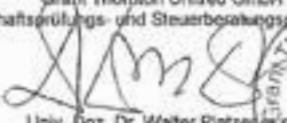
The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts such as fraud, nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures and statements from external information sources and expert opinions.

This assurance report is issued based on the assurance agreement concluded with the Company. Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the CR Report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 257a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") in all material respects.

Vienna, 9 September 2019

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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Austrian Chartered Accountant


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