

CORPORATE RESPONSIBILITY REPORT

2021

TABLE OF CONTENTS

	Page		Page
1. Preface	6	5.1.8 Stakeholder Management	32
2. About This Report	8	5.1.9 Society	32
3. Figures, Data, Facts	12	5.2 Sustainable Development Goals	33
3.1 Development of the Key Financial Indicators	14	6. Product Sustainability	34
3.2 The Four Divisions	16	7. Climate Action	36
3.2.1 Steel Division	16	7.1 The Political Framework	36
3.2.2 High Performance Metals Division	16	7.2 EU Emissions Trading	38
3.2.3 Metal Engineering Division	17	7.3 Decarbonization: voestalpine's Approach to the Transformation	38
3.2.4 Metal Forming Division	17	7.4 greentec steel: The Innovative Hybrid Approach	39
4. Stakeholder and CR Management	18	7.5 Vision for a Green Hydrogen Future	40
4.1 Stakeholder Communication	19	7.6 Research and Development Highlights	41
4.1.1 Human Resources	19	8. Transparency in the Supply Chain	42
4.1.2 Customers and Suppliers	20	8.1 Supply Chain Management	44
4.1.3 Analysts and Investors	20	8.1.1 Supplier Assessment	45
4.1.4 Research Institutes and Universities	20	8.2 Local Suppliers	46
4.1.5 NGOs, Special Interest Groups, and Platforms	21	8.3 Initiatives and Supply Chain Transparency Projects	47
4.2 Corporate Responsibility Management	21	9. Ethical Corporate Management	48
4.3 Material Topics	22	9.1 Compliance	50
5. Sustainability Strategy	24	9.1.1 The Code of Conduct	50
5.1 Strategic Spheres of Action	26	9.1.2 Compliance System	52
5.1.1 Climate Action and Environmental Protection	27	9.1.3 Preventive Measures	53
5.1.2 Sustainability in the Supply Chain	28	9.1.4 Reporting Compliance Violations	55
5.1.3 Research and Development	29	9.2 Corporate Governance	55
5.1.4 Sustainable Products and Services	29	10. Human Rights	56
5.1.5 Human Resources	30		
5.1.6 health & safety	31		
5.1.7 Compliance and Corporate Governance	31		

	Page		Page
11. Risk Management	60	14.3.3 Annual Employee Performance Review	94
12. Research and Development	62	14.3.4 Protection of Employees During the COVID-19 Pandemic	95
12.1 Research Expenditures of the voestalpine Group	62	14.4 Training and Continuing Professional Development	96
12.2 On the Way to Climate Neutral Steel Production	64	14.4.1 Executive Training Programs	96
12.3 Other R&D Contributions to Sustainability	65	14.4.2 Professional Academies	97
13. The Environment	66	14.5 Apprentices/Trainees	98
13.1 Environmental Management Systems	68	14.6 The Stahlstiftung	99
13.2 Environmental Expenditures	69	14.7 Employee Shareholding Scheme	99
13.3 Environmental Investments	70	15. health & safety	100
13.4 Air Emissions	72	15.1 The health & safety System	102
13.4.1 Greenhouse Gas Emissions	73	15.2 Lost Time Injury Frequency Rate	103
13.4.2 SO ₂ Emissions	74	15.3 Health Status	104
13.4.3 NO _x Emissions	75	15.4 Occupational health & safety and Health Promotion	104
13.4.4 Captured Dust Emissions	76	15.5 health & safety Management Systems	105
13.4.5 Organic Air Pollutants	77	15.6 health & safety Training	105
13.5 Water Management	78	15.7 Workplace Safety at Contractors/Third-Party Entities	106
13.6 Waste & Recycling Management	79	16. Society	108
13.7 Energy	81	17. Appendix	112
14. Human Resources	84	17.1 GRI Content Index	112
14.1 Employee Structure	85	17.2 ResponsibleSteel	120
14.1.1 Employment by Country and Region	86	17.3 UN Global Compact – The 10 Principles	122
14.1.2 Years of Service and Employee Turnover	88	17.4 Sustainable Development Goals	123
14.2 Equality and Diversity	89	17.5 Memberships	124
14.2.1 Differently-Abled Individuals	89	17.6 Glossary	127
14.2.2 Women in voestalpine	90	17.7 Independent Assurance Report	128
14.2.3 Age Structure of Employees	92		
14.3 Attractiveness as an Employer	94	Contact & Imprint	131
14.3.1 Employee Survey	94		
14.3.2 Employer Branding	94		

1. PREFACE

Ladies and Gentlemen:

The previous year was marked entirely by the COVID-19 pandemic. In this crisis (which was largely a health crisis), voestalpine gave top priority to the protection of its employees. Comprehensive safety and hygiene measures were implemented at all of the Group's facilities worldwide immediately after the outbreak of the pandemic. Wherever organizationally possible, employees worked from home. In addition, voestalpine offered comprehensive testing and vaccination options to its workforce in accordance with the respective national rules and regulations, thus making an important contribution to containing the pandemic.

In economic terms, the outbreak of COVID-19 at the start of the business year 2020/21 triggered a massive meltdown in demand in almost all customer segments. The voestalpine Group reacted promptly by instituting short time work, capacity cutbacks, and cost-cutting programs, all of which made it possible to maintain operations. The economy began to rebound from the middle of the business year. Surprisingly, the momentum in the automotive industry accelerated at a rapid pace, causing a renewed, substantial increase in demand for high-quality steel products. With the exception of the aerospace industry that was hit particularly hard by the crisis, voestalpine's other business segments, too, recovered as time wore on and have once again returned to high manufacturing capacity utilization. At this time, we would like to express our thanks to all employees who showed true dedication and flexibility despite the most difficult conditions imaginable and thus made a critical contribution to our ability to overcome the crisis.

That challenging time, which is now behind us, once again shed light on companies' respon-

sibilities in the global context—irrespective of whether the matter at hand concerns protecting employees' health, securing jobs, or maintaining international supply chains. Climate action has also moved yet further into the spotlight, especially because it has been embedded in the reconstruction plans of both the EU and the US.

For many years now, voestalpine has followed a proactive approach to its economic, social, and environmental responsibility. The company supports the UN Global Compact (UNGC) and participates in industry policy initiatives such as ResponsibleSteel that focus on sustainable production. In order to give due consideration to the growing significance of sustainability to internal and external stakeholders, in 2021 the voestalpine Group adopted a new Sustainability Strategy that defines the quantitative and qualitative targets for our contribution to a better and secure future (see page 24 ff.).

One of the key targets concerns climate action. voestalpine is committed to the climate goals and has submitted a clear plan for decarbonizing the production of steel through its greentec steel program. We aim to bring about an incremental shift from the coal-based blast furnace route to green-powered electric arc technology by 2030. This will lower carbon dioxide emissions in steel production by about one third. Over the long term, our plans are to boost the use of both green power and green hydrogen in order to achieve climate neutrality by the year 2050. The voestalpine Group has been pushing this technological transformation through several research initiatives. The EU's flagship H2FUTURE project at our Linz (Austria) plant is considered the world's largest electrolyzer facility for the

production of green hydrogen in the steel industry. The Sustainable Steelmaking (SuSteel) project at our Donawitz (Austria) plant is developing a process for producing steel directly from iron ore using hydrogen. Furthermore, voestalpine also participates in research projects aimed at converting and recycling CO₂. As an industry trailblazer in both climate and environmental action, the company recently obtained a patent for manufacturing CO₂-neutral pre-material used in green steel production.

All of our plants continually work to leverage untapped potential with respect to both environmental efficiency and the circular economy. When selecting suppliers, we have always placed great value on their ability to adhere to environmental and social principles, and we use our own Sustainable Supply Chain Management (SSCM) program to consistently verify such compliance.

But our products also make contributions to an environment worth living in. voestalpine supports its automotive industry customers on their journey to sustainable mobility through innovative solutions for lightweight construction and electromobility. In the railway sector—the most climate friendly mode of transport—we already are the world market leader in fully digitalized railway track systems. In addition to the mobility sector, voestalpine also is an important supplier in connection with the expansion of the renewable energy sector, providing materials for wind and hydropower turbines as well as photovoltaics installations. The Group's intensive research and development activities, which are reflected in a record research budget of EUR 185 million for the business year 2021/22, provides the basis for real sustainability at the level of both products and processes. Strategically, we aim to ensure that all of our R&D projects contribute to our sustainability goals.

These goals can be achieved only with people who contribute heart and soul to the effort and offer their ideas and know-how to the company, day in and day out. The COVID-19 crisis made clear yet again that voestalpine is "one step ahead," not only technologically but also in terms of the knowledge and commitment of its employees. We can say today that we have emerged from this crisis stronger than before—and that this achievement would not have been possible without the dedication of our global workforce of just under 49,000 employees. One aspect of our Sustainability Strategy thus focuses on their continuing professional and personal development. We will keep pushing the education and training of our own young, skilled workers and will once again enroll some 400 new apprentices in the Group's training programs this year. Safety and health as well as equal opportunity for all employees have the highest priority in our corporate culture.

Globally, the awareness of sustainable practices—whether at the corporate, social, or political level—grew yet again in the past year. For us at voestalpine, this development points primarily to opportunities. Through our processes and products as well as our highly qualified workforce, we want to help shape the transformation toward a more sustainable world. With this in mind, I hope that voestalpine's Corporate Responsibility Report 2021 will be an interesting read that will give you exciting new insights into our activities.

Yours sincerely,
Herbert Eibensteiner
Chairman of the Management Board of
voestalpine AG

2. ABOUT THIS REPORT

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

STANDARDS AND SPECIFICATIONS

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

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

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

PARAMETERS OF THIS REPORT

Unless otherwise stated, the information, figures, and facts published in this CR Report refer to the entire voestalpine Group. The financial performance indicators and employee data encompass all of the Group's consolidated entities.

The voestalpine Group's roughly 126 production companies—i.e., those that process, convert, or treat a product—accounted for more than one half of the data considered in the compilation of the environmental performance indicators. This limitation of the CR Report's parameters with respect to the environmental data accords with both the criteria of materiality and the Pareto Principle. The carbon footprint of the non-producing companies is relatively small, whereas the expenditures required to collect these data would be unreasonably large.

The health & safety indicators comprise all companies whose activities entail potential risks for their employees. This concerns a total of 171 entities, including all production companies as well as those smaller companies, for example, whose shops use equipment that may pose a risk to their employees' safety and health.

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

BENCHMARK FOR SPECIFIC ENVIRONMENTAL DATA

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

naces) as well as the hot briquetted iron (HBI) produced at the direct reduction plant in Texas, USA, the production volume data also includes data on the weight of those steel products whose pre-materials are externally sourced. Accordingly, the specific indicators are provided per ton of product.

CONTENT OF THIS REPORT

voestalpine addresses the issues that are relevant to the Group's sustainable development continuously and systematically. Both external and internal stakeholders were included in the process of determining the content of and the

material topics covered in the present CR Report (see the chapter, "Stakeholders and CR Management").

REPORTING PERIOD

voestalpine's business year runs from April 1 of a given year to March 31 of the following year. While the business year 2020/21 is the reporting period for the key financial indicators as well as the employee and health & safety data, the environmental data are compiled by calendar year. Hence the calendar year 2020 is the re-

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

REPORTING CYCLE

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

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

AUDIT

The auditing firm, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft Deloitte, audited the CR Report as to compliance with both the GRI Standards and the requirements of Section 267a UGB.

See the independent Audit Confirmation Report in the Appendix for further information on the audit and confirmation of the present CR Report.

STYLE AND LANGUAGES

So as not to impede the flow, the German version omits gender-specific wording and uses male pronouns and endings to cover all genders. The English version uses gender-neutral wording wherever necessary.

The CR Report is published (both in print and on the Web) in German and English. The CR Fact Sheet is available in 14 languages.

VISUAL DESIGN

The 12 decorative images in this CR Report are aligned with the principles of ResponsibleSteel, an advocacy organization. voestalpine has been a member since 2019 and has applied for certification by ResponsibleSteel of its steel


plant in Linz, Austria (its largest) during the current business year. The organization's principles are explained in greater detail in the Appendix (pp. 120-121).

QUESTIONS AND COMMENTS

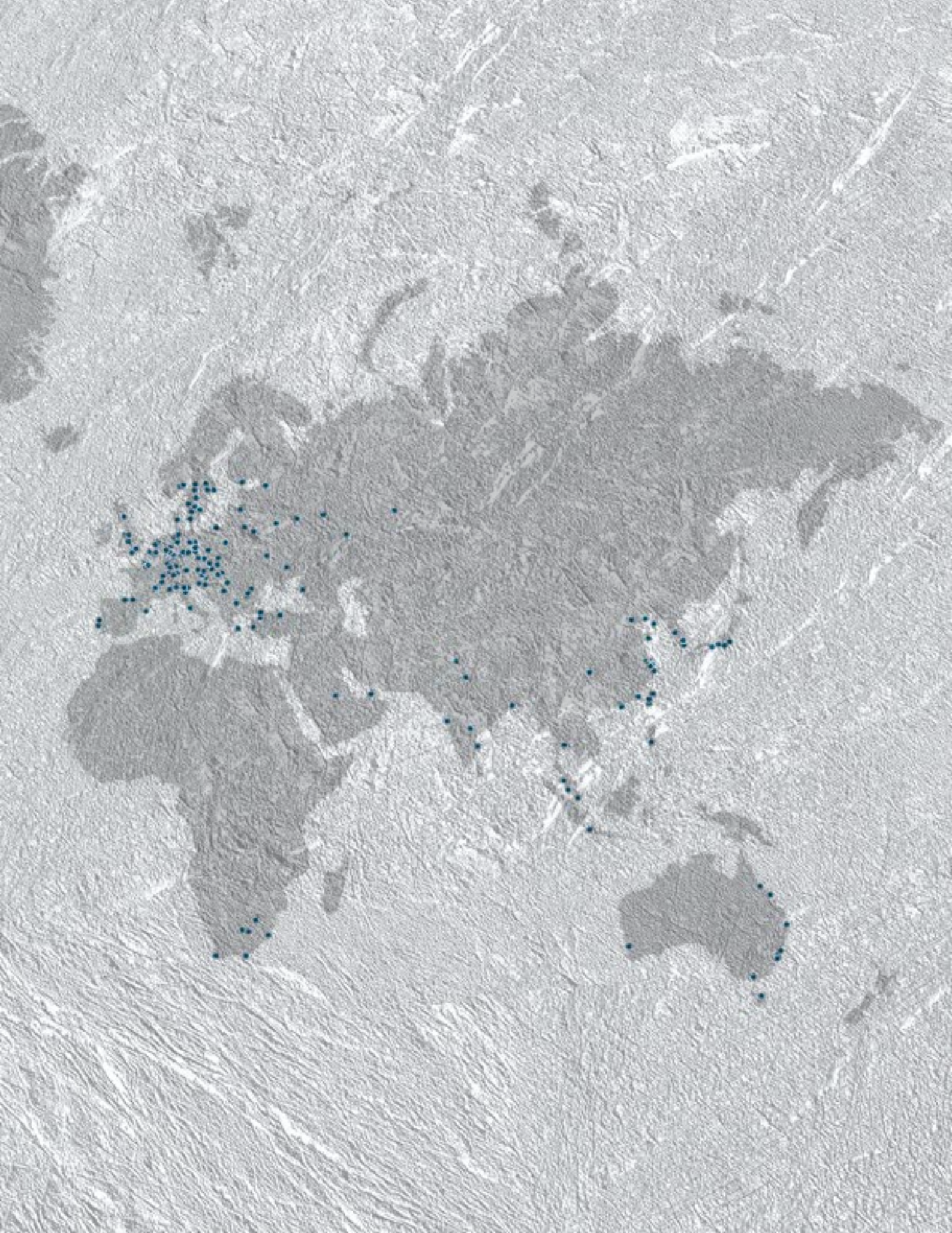
We look forward to your feedback. Please send any questions or comments regarding this CR Report to the following email address:

cr@voestalpine.com

3. FIGURES, DATA, FACTS



voestalpine is a globally leading steel and technology group with a unique combination of material and processing expertise. The company is headquartered in Linz, Austria, and is divided into four divisions, each with a product portfolio that makes them a leading provider in Europe or worldwide. As an international group, voestalpine takes its responsibilities for the environment and the climate very seriously and aims to be an environmental trailblazer. Hence the company is committed to the global climate goals and works intensively to develop technologies that will allow it to reduce its CO₂ emissions and decarbonize its production over the long term.

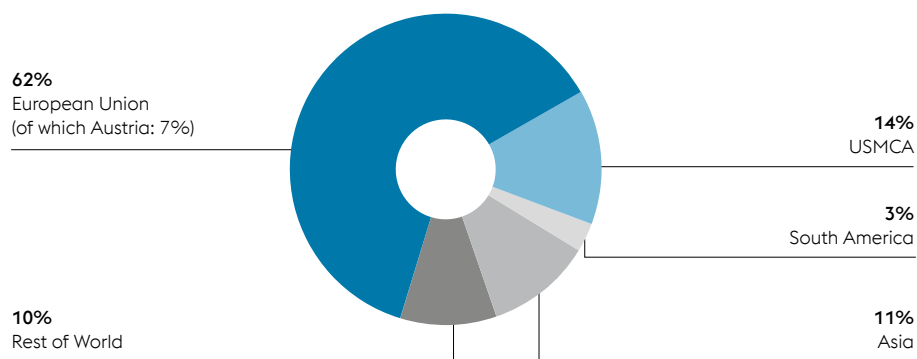


3.1 DEVELOPMENT OF THE KEY FINANCIAL INDICATORS

In millions of euros	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	11,294.5	12,897.8	13,560.7	12,717.2	11,266.6
EBITDA	1,540.7	1,954.1	1,564.6	1,181.5	1,134.5
EBITDA margin	13.6%	15.2%	11.5%	9.3%	10.1%
EBIT	823.3	1,180.0	779.4	-89.0	115.2
EBIT margin	7.3%	9.1%	5.7%	-0.7%	1.0%
Employees (full-time equivalent) At end of business year	49,703	51,621	51,907	49,682	48,654
Research expenditures	140.3	152.0	170.5	174.4	153.0
Operating expenses for environmental protection facilities in Austria	231.0	258.0	299.1	314.5	300.1
Environmental investments for production facilities in Austria	46.0	41.0	66.0	35.0	15.3
Crude steel production (in millions of tons)	7.596	8.140	6.895	7.173	6.882

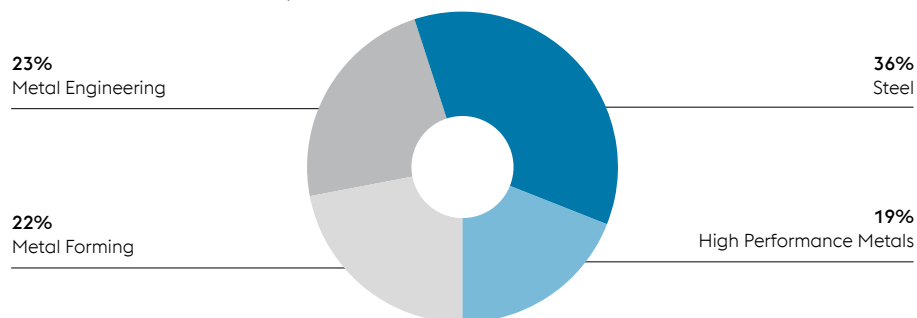
REVENUE BY REGION

In percent of Group revenue, business year 2020/21



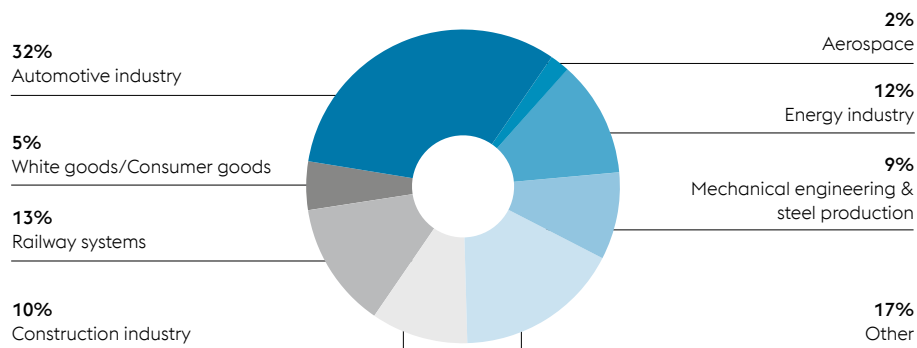
REVENUE BY DIVISION

In percent of total divisional revenue, business year 2020/21



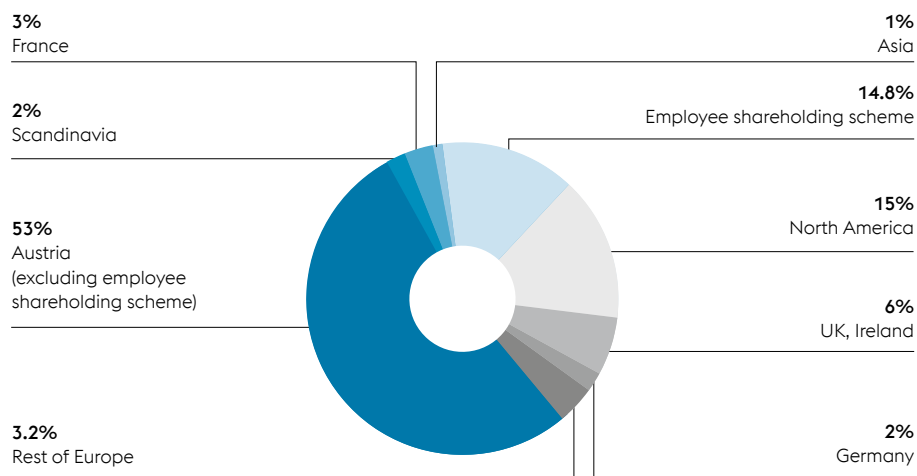
REVENUE BY INDUSTRY

In percent of Group revenue, business year 2020/21



SHAREHOLDER STRUCTURE

In percent, as of the close of the business year 2020/21



3.2 THE FOUR DIVISIONS

3.2.1 STEEL DIVISION

The Steel Division is the voestalpine Group's largest division in terms of revenue; it is a global market leader for heavy plate and steel strip as well as complex casings for large turbines. As a global manufacturer of high-quality steel products, the division is a driving force in the development of a clean and climate-neutral industry. Its current steel production route already sets environmental benchmarks. Looking to the future, the Steel Division works intensively on options for implementing low carbon steel production based on hydrogen.

Thanks to its highest-quality steel strip, the division is the first point of contact for major automotive manufacturers and suppliers and supports its customers globally.

Moreover, it also is a key partner of the European white goods and mechanical engineering industries. The Steel Division produces heavy plate for applications used in the energy sector under the most extreme conditions. Besides supplying the oil & gas industry, it also provides custom solutions to the renewable energy generation sector. The division operates the world's most advanced direct reduction plant in Corpus Christi, Texas, USA, which produces highest quality pre-materials (HBI) for the production of steel used by both voestalpine and external customers.

For more information on the Steel Division, visit <https://www.voestalpine.com/group/en/group/overview/organizational-chart/steel/>

3.2.2 HIGH PERFORMANCE METALS DIVISION

The High Performance Metals Division focuses on technologically advanced special steel products. It has eight different production facilities in Europe as well as in North and South America. The division's global sales and service network encompasses about 140 facilities, thus ensuring special proximity to its customers.

It is specialized in the production and processing of technologically most sophisticated high performance materials and supplements these activities through customer-specific services such as heat treatments, high-tech surface treatments, and additive manufacturing processes.

The production companies of the High Performance Metals Division are located in Austria, Germany, Sweden, Brazil, and the United States. Through its unique, global network of sales and service centers, the division offers its customers the best possible materials availability and processing as well as local contacts.

For more information on the High Performance Metals Division, visit <https://www.voestalpine.com/group/en/group/overview/organizational-chart/high-performance-metals/>

3.2.3 METAL ENGINEERING DIVISION

The Metal Engineering Division of the voestalpine Group bundles its expertise in the Railway Systems and Industrial Systems business segments with the aim of positioning itself more strongly as a provider of complete system solutions for the most advanced industrial segments.

It is the global market leader in Railway Systems for rail infrastructure systems and signaling technology. Through its Industrial Systems business unit, the division also is the European market leader in high-quality wire and a global provider of complete welding solutions.

In addition, the Metal Engineering Division delivers tubulars throughout the world from its plant in Kindberg, Austria.

It draws its customers from the railway systems industry, the oil & natural gas industry as well as the engineering, automotive, and construction industries.

For more information on the Metal Engineering Division, visit

<https://www.voestalpine.com/group/en/group/overview/organizational-chart/metal-engineering/>

3.2.4 METAL FORMING DIVISION

Thanks to its unique materials and processing expertise, together with its global presence, the Metal Forming Division is the first port of call for customers requiring innovation and quality. It is the voestalpine Group's competence center for highly refined sections, tubes, and precision strip steel products as well as for pre-finished system components made of pressed, stamped, and roll-formed parts.

The division's flexible, mid-sized units offer its customers rapid problem-solving expertise in all stages of the development and production process. Its customers include practically all of the leading manufacturers in the automotive and automotive supplier industries that focus sub-

stantially on the premium segment as well as numerous companies in the commercial vehicle, construction, storage, energy, and (agricultural) machinery industries.

Just as the voestalpine Group on the whole, the Metal Forming Division also maintains long-term customer relationships with most of its key customers and wins the day through its international presence.

For more information on the Metal Forming Division, visit

<https://www.voestalpine.com/group/en/group/overview/organizational-chart/metal-forming/>

4. STAKEHOLDER AND CR MANAGEMENT

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

voestalpine's Corporate Responsibility Steering Committee and the CR Manager have identified the company's most important stakeholder groups based on this definition.

The list is reviewed at regular intervals as to its completeness and topicality.



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

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

4.1 STAKEHOLDER COMMUNICATION

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

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

regarding the topics relevant to the given group took place in various settings.

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

While the COVID-19 pandemic also hampered such exchanges with the company's stakeholders, digital formats helped to maintain the relationships as best as possible.

4.1.1 HUMAN RESOURCES

The voestalpine Group currently has a global workforce of just under 49,000 people. Both the annual employee performance review and the regular Group-wide employee survey are key tools for engaging in structured communications with the company's employees. Employees' feedback is analyzed by management and flows into any measures the company develops, for example, with respect to personnel development.

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

Through internal audits and trainings—for example, in Compliance, health & safety, IT security, or data privacy and protection—the company ensures not only that its employees abide by and implement a range of requirements but also that their knowledge is current.

4.1.2 CUSTOMERS AND SUPPLIERS

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

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

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

voestalpine's Code of Conduct is binding on all of the Group's suppliers and business partners and forms part of its terms and conditions. Owing to the COVID-19 pandemic, regularly scheduled technical visits and inspections of suppliers' production facilities could not be carried out as usual. For more information on this issue, please see the chapter on "Transparency in the Supply Chain."

4.1.3 ANALYSTS AND INVESTORS

Institutional investors and analysts are a key stakeholder group of voestalpine AG in its capacity as a listed company. 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 personal visits—increasingly via online meetings and virtual conferences—in order to discuss current developments and the market situation.

As far as ESG and sustainability are concerned, climate-relevant emissions and risks but also human rights in both the company and the supply chain are the central concerns that are discussed with analysts and investors alike.

At regular intervals, voestalpine also holds so-called Capital Markets Days, i.e., special investor events involving presentations and discussions of trends and developments within the Group associated with a high-priority issue.

4.1.4 RESEARCH INSTITUTES AND UNIVERSITIES

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

The members of voestalpine's Management Board personally represent the Group during special student events (some of which are now held virtually as well) and answer questions from the students who, in their capacity as potential future employees, are considered an important stakeholder group.

4.1.5 NGOS, SPECIAL INTEREST GROUPS, AND PLATFORMS

Representatives of voestalpine belong to various working groups and committees of special interest groups and platforms. These include the European Steel Association (EUROFER); world-steel; the Austrian Society for Metallurgy and Materials (ASMET); the European Steel Technology Platform (ESTEP); or the Austrian Financial Reporting and Auditing Committee (AFRAC). These representatives also contribute the company's knowledge of and opinions on a wide variety of issues during consultations at the EU level.

The company has been a member of ResponsibleSteel—a not-for-profit organization that focuses on the sustainable production of steel and the sustainable procurement of both raw and other materials—since April 2019. voestalpine actively engages in the ongoing

development of the standard on which these policy initiatives are based.

In the Northern summer of 2021, the Group's largest steel plant (located in Linz, Austria) submitted to an audit process aimed at obtaining the certification pursuant to the Responsible-Steel Standard; it is one of the very first steel companies to have done so.

voestalpine also maintains good communications with non-governmental organizations (NGOs). Its Management Board and experts engage in intensive and constructive exchanges of opinion with several NGOs, particularly with respect to energy and climate policies as well as other environmental topics.

4.2 CORPORATE RESPONSIBILITY MANAGEMENT

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 for assessments regarding their materiality. The CR Manager is responsible for coordinating within voestalpine and represents the company at numerous events and initiatives related to corporate responsibility and sustainability.

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

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

4.3 MATERIAL TOPICS

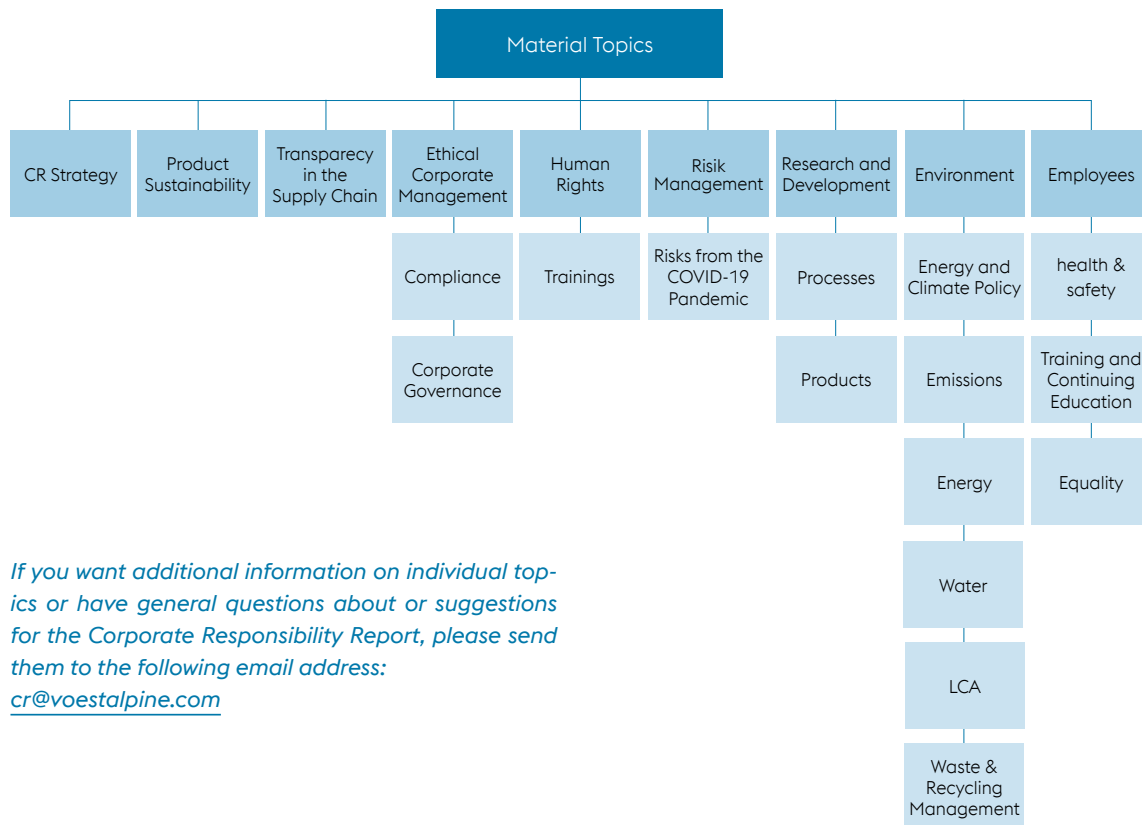
voestalpine uses its ongoing communications with internal and external stakeholder groups to identify those topics that are key to Corporate Responsibility Management and the relevant reporting.

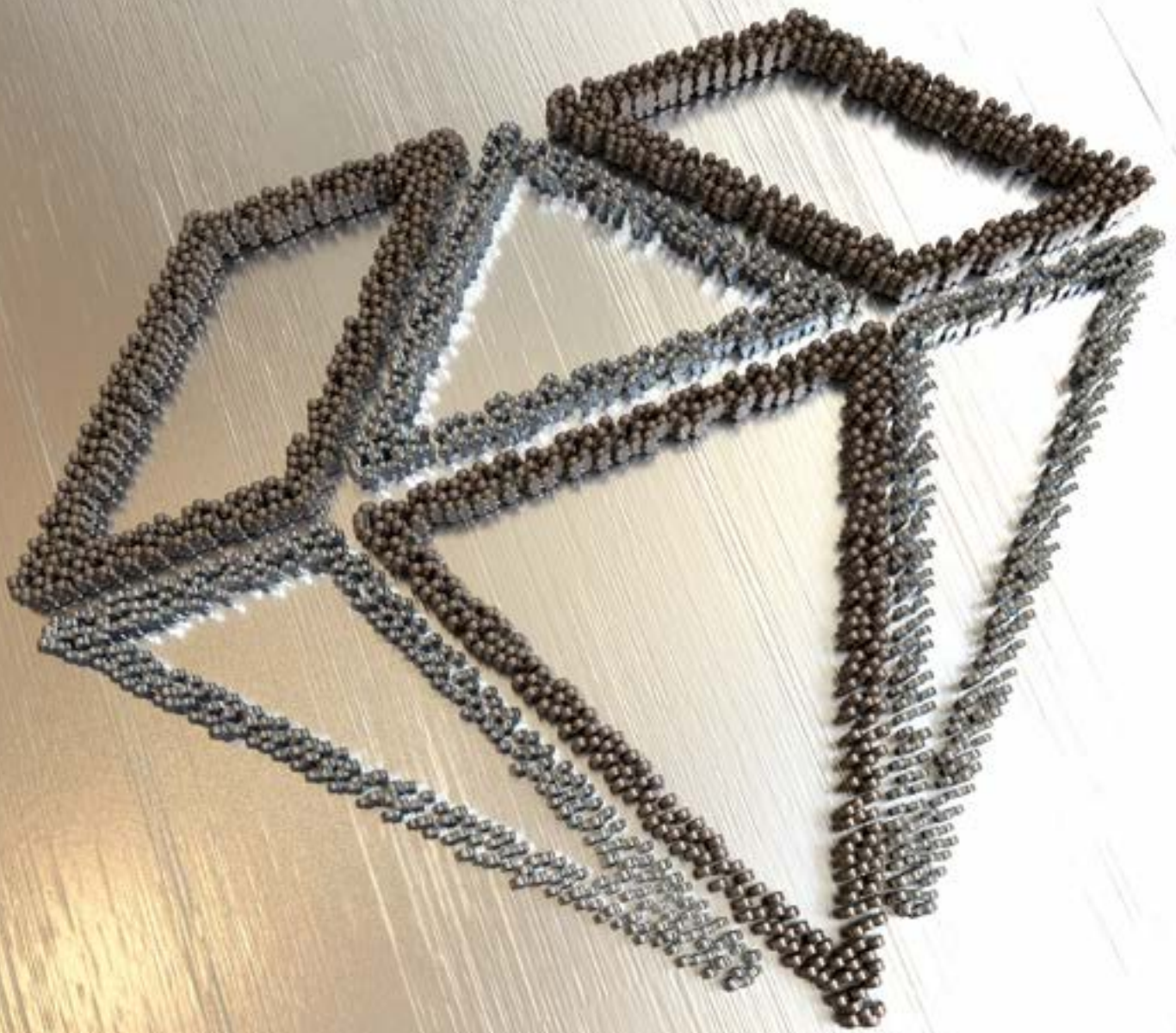
A list of the topics considered most important by the stakeholder groups is drawn up prior to the preparation of the annual CR Report. Subsequently, the list is supplemented by those topics that have been identified as part of the company's work in relevant bodies as well as through

analyses of trade publications and benchmark analyses of select competitors, suppliers, and customers.

A subsequent analytic step involves assigning a materiality rating to all those topics in regards to which voestalpine's business activities actually or potentially trigger positive or negative effects. Information on the management approach as well as the company's targets and performance with respect to all material topics is published in the CR Report.

The following topics were identified as central to the present Report:





5. SUSTAINABILITY STRATEGY

In its capacity as a globally leading steel and technology group with close to 49,000 employees at about 500 Group companies and facilities in more than 50 countries, voestalpine is conscious of its comprehensive economic, environmental, and social responsibility. Sustainability is a cornerstone of all of the company's decisions and actions. This affects areas as diverse as raw materials procurement, production, and product recycling; employee training and continuing professional development (CPD) as well as employee health and diversity.

voestalpine adopted a Corporate Responsibility Strategy (CRS) in 2018 in order to consciously and consistently underscore the significance of sustainability to all its decisions and actions. Its Corporate Development unit has further refined the CRS in cooperation with the divisions' strategy units as well as the relevant specialist departments. In 2021, the revised version of the CRS was adopted as the Group's Sustainability Strategy in close coordination with both the Management Board and the Supervisory Board of voestalpine AG. The United Nations' Sustainable Development Goals (SDGs) provided the basic framework for the development of the Strategy.

As an integrative component of the Group's corporate strategy, sustainability as a concept is operationalized via individual strategies at the level of divisions, business segments, and functions. This takes the topic's growing significance to both internal and external stakeholders into account. The Sustainability Strategy is conceived as a wholly integrated roadmap based on a best-in-class approach.

INCREASING FOCUS ON SUSTAINABILITY



Continuing
climate change
and growing
awareness of it
within society



Intensifying
climate risks
for companies and
value chains



New
guidelines,
requirements,
and goals



Increasing
importance to
internal and
external
stakeholders

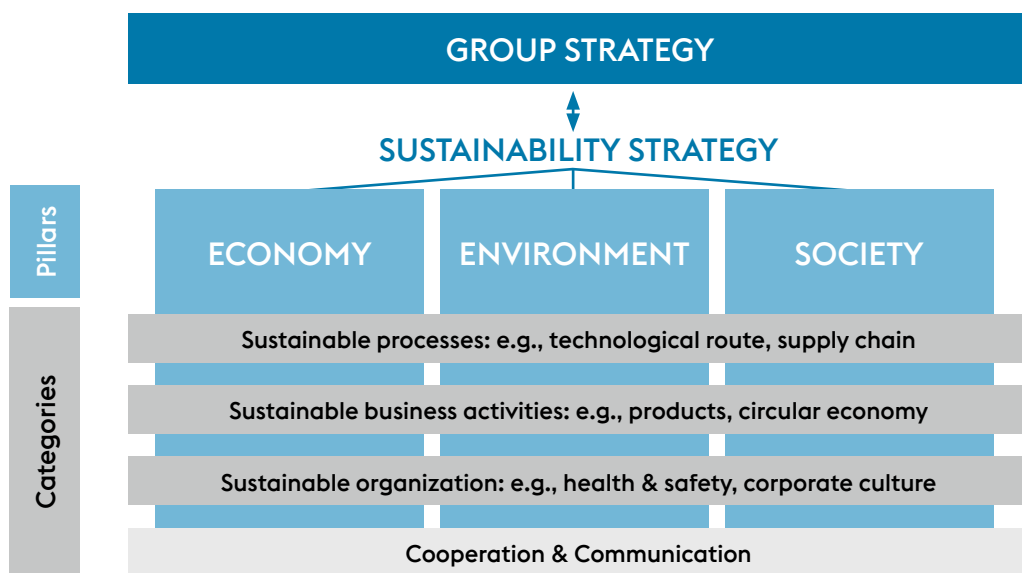


Changing
customer
requirements

By laying out its Sustainability Strategy, voestalpine also signaled that sustainability as an issue is becoming increasingly important to financial and capital markets alike. The ongoing development of the legal framework was considered as much as changing market and competitive factors. Strategic principles and objectives were fleshed out at the Group level for every sphere of action.

The Strategy is designed to be comprehensive and thus encompasses three pillars: the Economy, the Environment, and Society. It is designed to be put into practice in voestalpine's processes and business activities as well as organizationally. Stakeholder management serves to ensure that the Sustainability Strategy and its progress are communicated both internally and externally.

The following figure presents the Strategy's core elements and its integration into the Group's corporate strategy.



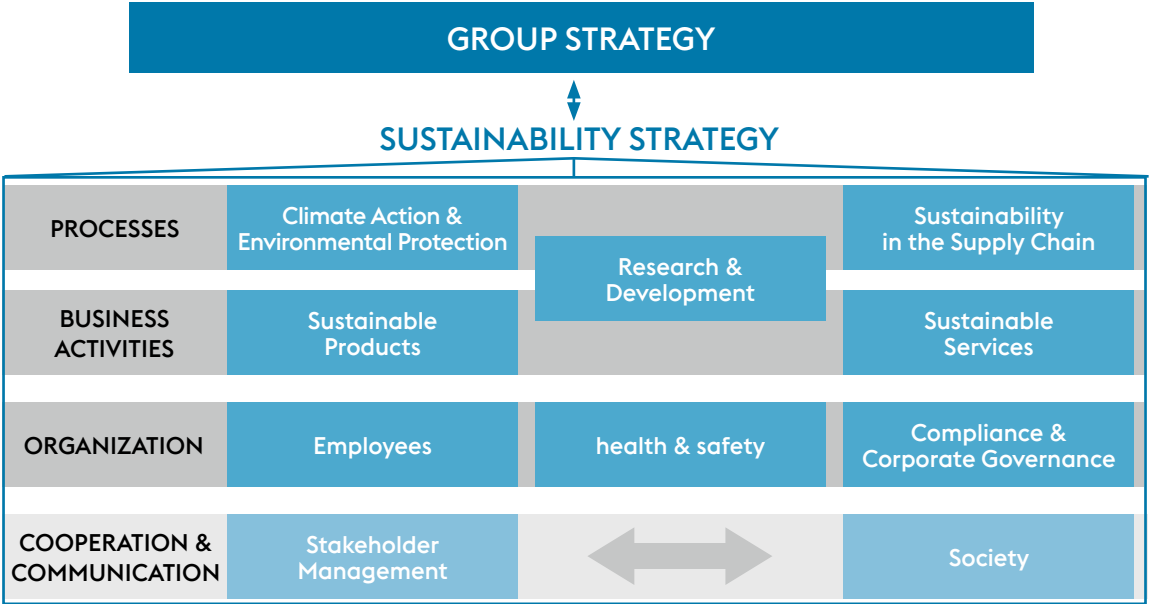
Profitability and shareholder value are key to the long-term performance of a listed entity such as voestalpine. But the Sustainability Strategy makes clear that two of the pillars—environment and society—must also be given very high priority in terms of risk management, resilience, and future viability and managed accordingly.

As far as the processes are concerned, the focus is on the contributions that both the internal processes and the supply chain make to the achievement of the SDGs and the company's sustainability targets. Sustainable business activity focuses on developing innovative products for and with customers and on pursuing circu-

larity. The safety and health of our employees, their training and continuing professional development as well as a respectful corporate culture are material elements of sustainable organizations.

The COVID-19 pandemic has sharpened our awareness of the fact that global crises require determined action. This also applies to the climate crisis and other environmental, social, or economic force fields. voestalpine's new Sustainability Strategy prescribes which spheres of action are decisive to the company's sustainable performance.

5.1 STRATEGIC SPHERES OF ACTION



The guidelines and goals specified and described in the following were defined for the strategic spheres of action.

5.1.1 CLIMATE ACTION AND ENVIRONMENTAL PROTECTION

We continue to improve our CO₂ footprint by committing to low carbon production.

We are meeting the challenge of decarbonizing the economic system in the long term especially 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.

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

We have defined a target corridor of between 4 MWh per ton of product and 4.5 MWh per ton of product for the specific total energy consumption; the target corridor for the recycling rate is between 27% and 30%. By 2025, all relevant production facilities should have implemented a standardized environmental management system (EMS) and obtained certifications pursuant to ISO 14001 or EMAS.

We are committed to the global climate goals, we use greentec steel to pursue a clear path toward the decarbonization of steelmaking, and we possess a patent for carbon (CO₂) neutral pre-material used in the production of green steel. Specifically, the patent concerns the manufacture of sponge iron (DRI or HBI) in the direct reduction process using green hydrogen and biogas. We will outlicense the patent for the carbon-neutral pre-material used in steel production and plan a know-how transfer with the licensees.

By 2050, voestalpine will be climate neutral.

By 2030, the Scope 1 CO₂ emissions for steel production in Linz and Donawitz (both Austria) will be lowered by 30% in ways contingent on production to a total of 8.5 million tons.

The High Performance Metals Division has already put in place a steel production process that is based on the electric arc furnace (EAF) route. By 2030, it will have lowered its CO₂ emissions (Scope 1 & Scope 2) by 50%.

By 2035, the production activities of the Metal Forming Division—the Group's center of competence for highly refined sections, tubes, and precision strip steel products as well as for ready-to-install system components made of pressed, stamped, and roll-formed parts—will be climate neutral.



5.1.2 SUSTAINABILITY IN THE SUPPLY CHAIN

We pay attention to transparency in the supply chain and work toward ensuring responsible procurement.

General Procurement

When selecting our suppliers, we ensure that they comply with both environmental and social principles. We have integrated sustainable supplier management into the company's procurement processes to maintain long-term partnerships.

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

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

Raw Materials Procurement

Applying life cycle approaches (closed loop) together with our customers guarantees us the highest 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 an efficient supply chain. New suppliers are assessed in terms of corporate responsibility, quality, and performance and, depending on the outcome of the evaluation, are included in our portfolio of suppliers.

The Sustainable Supply Chain Management (SSCM) project was used to screen our raw material supply chains from the bottom up, examining key factors pertaining to Corporate Responsibility. voestalpine ensures that absolutely all of its raw materials are subjected to this process, thus minimizing risk over the long term.

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

Fully 70% of the Group's total purchasing volume (in particular, 100% of all deliveries of critical raw materials) will be verified by 2025 as to compliance with the environmental, social, and governance (ESG) criteria of voestalpine's "Compliance and Corporate Responsibility Checklist" and evaluated based on a defined rule book.



5.1.3 RESEARCH AND DEVELOPMENT

We develop innovative solutions for our customers and ensure that sustainability plays a key role in the development of both products and processes.

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

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

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

Major R&D projects consider sustainability criteria in the innovation process and in connection with investment decisions.

We aim to ensure that absolutely all R&D projects related to the development of products and processes make a positive contribution to sustainability.



5.1.4 SUSTAINABLE PRODUCTS AND SERVICES

We offer sustainable products and services to our customers. Certified life cycle assessments (LCAs) of our products help to reduce our customers' carbon footprint.

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

Life cycle assessments will be carried out for all key product groups by 2025, taking all phases of the value chain into account, in order to compile a catalog of their environmental impact.



5.1.5 HUMAN RESOURCES

High levels of commitment and above-average employee loyalty are key pillars of our success. We bank on a corporate culture that is defined by diversity and respect and on providing solid employee training and continuing professional development to all groups of employees.

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 potential impairment—and create the conditions for both equal opportunity and work that maintains people's health and is appropriate to life's different phases.

Training and continuing professional development: 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.

Employee loyalty: To ensure long-term employee retention, we regularly evaluate the level of their commitment to the company through a worldwide employee survey. The level of commitment describes the degree of our employees' loyalty to voestalpine. To raise this value over the long term, we develop suitable measures after analyzing the survey findings and continuously track both measure implementation and target achievement.

We create the general framework for equal opportunity and aim to raise the percentage of women in technical fields and/or among technical apprentices. We help to enhance the attractiveness of mathematics, informatics, natural sciences, and technology (MINT); in the English-speaking world, this is known as science, technology, engineering, and mathematics (STEM).

We provide a diverse range of offerings in connection with employee training and continuing professional development, continually increase the number of apprentices and trainees, and offer internal executive management training.

We carry out employee surveys at regular intervals.

The goal is to continue strengthening employees' commitment and deepening their loyalty to the company.



5.1.6 health & safety

We promote our employees' health and continually enhance the safety of our workplaces.

Employee safety and health are key concerns at voestalpine and thus have highest priority.

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



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

**Zero Accidents:
Fatalities and workplace accidents involving serious injuries must be prevented.**

We continue to work on lowering the lost time injury frequency rate (LTIFR) and plan to achieve a 30% reduction of this rate by 2025 compared with 2020.

5.1.7 COMPLIANCE AND CORPORATE GOVERNANCE

We have implemented an efficient Compliance management system that comprises the elements of “risk analysis/prevention” and “identification/reaction,” and we satisfy all rules and regulations of the Austrian Corporate Governance Code.

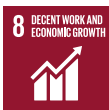
Compliance: We commit to complying with all laws in all of the countries in which voestalpine operates. We believe that Compliance is the expression of a culture rooted in ethical and moral principles.

Ethical Corporate Management: In order to ensure that managing and controlling the Group responsibly serves to create sustainable shareholder value in the long term, the Group's Man-

agement Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Corporate Governance Code.

Human Rights: We commit to upholding human rights in accordance with both the UN Charter and the European Convention for the Protection of Human Rights and Fundamental Freedoms, and we support the UN Global Compact (UNGC).

Compliance violations must be prevented. It is our goal, therefore, to sensitize all employees and ensure that they know the Group's policies.



5.1.8 STAKEHOLDER MANAGEMENT

We are in contact with all relevant stakeholders and engage in a responsible, solution-oriented, and transparent dialogue with them. Our stakeholder management is based on established sustainability criteria and standards.

We regularly engage with a very wide range of stakeholder groups through our Management Board as well as our executive and non-executive personnel. Numerous formats such

as shop talks and expert roundtables, conferences and trade shows as well as analyst and investor meetings are used to this end. In addition, voestalpine is not only represented on a wide variety of bodies serving advocacy groups, trade associations, and lobbying campaigns, it also presents the company's concerns to these bodies. We also support international and local platforms and initiatives that promote sustainable development.



5.1.9 SOCIETY

We take our role as a responsible company seriously and support select charitable projects.

As a global Group with just under 49,000 employees, voestalpine consciously plays an active role in society at its facilities. The company's relationships with key local stakeholders that have evolved through the years provide insight into social, cultural, and environmental issues facing

the given communities. We review concrete opportunities for action in order to strengthen the social compact and enhance the wellbeing of humans and nature that are affected by our activities. This results in short to medium-term projects in sports, culture, and natural conservation. Continuity, trust, and cooperation are key to our approach.



5.2 SUSTAINABLE DEVELOPMENT GOALS



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

The SDGs were put into effect as of January 1, 2016, and are designed to cover a period of 15 years (up to 2030). Particular emphasis was placed on the private sector's role in reaching these goals.

As part of its business activities, voestalpine actively contributes to the implementation of the following 12 SDGs:

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

6. PRODUCT SUSTAINABILITY

In Europe, both the political and the regulatory framework are aimed at redirecting the economic system toward a circular economy (also known as "circularity"). This lends particular significance to sustainability all along the supply and value chains.

The concept of circularity requires analyzing products' entire value chain broken down by environmental, economic, and social aspects across all phases of their life cycle: from the raw materials to the products' manufacture, utilization and/or consumption, all the way to the end of their life cycle, which brings about the onset of a new life cycle.

voestalpine has been implementing and continually refining the core concerns of circularity at the level of both processes and products for a long time.

In and of themselves, steel products have a long useful life and contribute to the ongoing development of the circular approach. Modern lightweight steel and production processes (e.g., additive manufacturing) make it possible to reduce the amount of raw materials required for a given product. In their utilization phase, steel products can be repaired and put back together again through various processes, which extends their useful lives. Given their resistance and longevity, steel products can also be repurposed and repeatedly recycled. At the end of their useful lives, finally, they serve as secondary raw materials that are used to manufacture new high-value steel products. The cycle is closed and can be repeated any number of times; this is referred to as the "multirecycling of steel."

The use of waste and recycled materials from the company's own steel production also contributes to the circular economy, as does the use of waste and secondary raw materials from external production processes. In turn, the by-products of steel production can be utilized as secondary raw materials to manufacture products in other industries; this is referred to as "industrial symbiosis." For example, different kinds of blast furnace sand that are generated in the production of steel can be used as grinding additives in the cement industry, thus saving natural resources and helping to lower CO₂ emissions that are generated in the production of cement.

voestalpine always endeavors to push the efficient use of alternative and/or secondary sources of raw materials through research & development.

The company's current focus in connection with the determination of products' sustainability is on environmental issues. Specifically, this involves identifying the environmental impact of products and their decarbonization mainly with the help of life cycle assessments (LCAs), which are both a core element and a methodological tool. This requires uniform, workable, and globally comparable methodologies that can help to create a level playing field internationally, thus promoting sustainable economic growth.

Environmental product declarations (EPDs) are a critical tool that voestalpine uses to determine and communicate products' environmental impact based on their life cycle assessments. EPDs are rooted in two international standards—EN 15804 and ISO 14025—and are audited and verified by independent third parties. voestalpine has listed and published environmental product declarations for various products in the declarations program of the German “Institut Bauen und Umwelt” (IBU), an association of building product manufacturers. This includes hot-dip galvanized strip steel; electrical steel strip; colofer®; hot-formed, pressed steel; prestressed concrete turnout sleepers; as well as heavy plate and rails. EPDs for a number of other products in preparation.

The decarbonization of the steel industry is a considerable challenge for both process and product development and is inseparable from circularity. It is important to ensure in the transformation toward largely zero carbon production that the high quality of products and raw materials remains the same. Moreover, the technological transformation also affects existent substance and materials cycles as well as symbiotic industrial relationships and thus requires the ongoing and/or new development of sectoral and cross-sectoral approaches to circularity.

voestalpine itself is an integral part of supply and value chains in different sectors such as the automotive industry, the electrical industry, and

the oil & natural gas industry. Specific requirements, projects, and ideas are shared and/or jointly developed in regular exchanges on decarbonization and product sustainability with customers and other stakeholders.

Open discussions and substantive analyses of customers' and voestalpine's own decarbonization strategies and approaches are a central component of these conversations. Goals, technological concepts, and time horizons are discussed and compared with a view toward existent and future supply relationships and business models. Assessments and definitions of CO₂-reduced and/or decarbonized products are equally important in these discussions, because there is a need for uniform and accepted methodologies that proceed from verified and valid data. Different approaches to life cycle analyses can map and make available the requisite information on the environmental footprint over the entire supply and value chain.

To foster transparency, voestalpine not only publishes information on its greenhouse gas emissions (GGE) and its water consumption as part of the Carbon Disclosure Project (CDP) but also participates in cross-sector initiatives such as ResponsibleSteel.

7. CLIMATE ACTION

In keeping with the goals of the World Climate Agreement, voestalpine already is on the way toward low carbon steel production which, in the long term, will become climate neutral steel production. Aside from the political sphere, customers, too, are the key drivers of “green steel.” Improved processes as well as new and innovative production technologies based on electricity from renewable sources and/or green hydrogen and thus CO₂ neutral raw materials and products are the cornerstones of voestalpine’s transformation.

7.1 THE POLITICAL FRAMEWORK

The political guideposts described in the Corporate Responsibility Report 2020 are still being debated. While the Paris Climate Agreement that was adopted at the UN’s Climate Change Conference in 2015 still is very far from being a global framework, the European Union and individual member states such as Austria have fleshed out their political climate goals in the meantime and have revised them upward. The European Green Deal, which was initiated at the end of 2019, significantly increases the emissions reduction targets that apply up to 2030. The European Commission, Council, and Parliament agreed to a tightening of the targets from previously 40% to a minimum of 55% (in each case relative to 1990). On July 14, 2021, the EU Commission presented a comprehensive package of legislative proposals titled “Fit for 55” that aims to align the directives and regulations regarding the future EU Emissions Trading System (EU ETS) as well as topics such as CO₂ carbon border adjustments (CBAs), energy efficiency, expansion of renewables, state aid, or energy taxes with the new target. The Commission’s proposals are now being negotiated with both the EU Parliament and the member states via the trilogue procedure. It is to be expected that the target for reducing emissions by 2030, which applies to sectors such as the steel industry that are subject to the EU ETS, will be raised from 43% to 61% relative to 2005. It is likely, too, that the planned cancellation of allowances in conjunction with both the planned expiration of the no-cost allocations and the simultaneous introduction of a

carbon border adjustment mechanism (CBAM) will result in a significant cost increase. The resulting consequences for voestalpine were evaluated in detail at the time the present CR Report was prepared. Austria’s federal government, for its part, has proposed achieving climate neutrality “by no later than 2040” and thus a decade earlier than the EU. The resolutions that it discussed and/or adopted during the reporting period concern the Austrian Expansion of Renewables Act (*Erneuerbaren-Ausbaugesetz, EAG*) and a new climate action law. Moreover, the government agreed in the fall of 2020 to amend the Austrian Emissions Allowances Act (*Emissionszertifikatengesetz, EZG*) so that national EU ETS auction revenue can be allotted to the given companies for specific decarbonization measures. For one, budgetary allocation of national funding and European co-funding is the prerequisite for achieving the ambitious climate goals. For another, green energy must be available in adequate quantities and at reasonable costs so that energy-intensive industries can lower their emissions in the required scope while remaining competitive. Both at the level of the EU and nationally, voestalpine thus is in constant talks—directly and via industry associations—with political decision makers, the science community, environmental organizations, and industrial partners in research and development. voestalpine’s registration in the applicable national and international lobbying lists (Austria: LIVR-00925, EU: 189510925414-06) ensures additional transparency.



7.2 EU EMISSIONS TRADING

The European Union's Emissions Trading System encompasses about 11,000 energy-intensive plants (primarily electricity generation facilities and manufacturing industries) and provides the current framework for decarbonization by 2030. As a result, it also is voestalpine's central parameter for planning concrete implementation measures. Sectors subject to the EU ETS must buy one allowance for every ton of carbon dioxide they emit. The allowances must be purchased through auctions, and the proceeds from the sale of the allowances must flow into the respective national budgets. While the funds are supposed to be earmarked for projects that contribute to the energy and climate transition, individual EU member states have embraced different approaches to this flexible provision of the EU ETS.

In order to lower the risk of production off-shoring owing to different countries' different climate action standards (also known as "carbon leakage"), a certain number of no-cost allowances are allocated to the affected industries.

The EU Commission classifies the steel industry as the sector having the highest carbon leakage risk. Theoretically, therefore, absolutely all of the allowances to be allocated to those 10% of facilities that are ranked "best" relative to EU benchmarks are supposed to be free of charge. In actual practice, however, the percentage of allocated no-cost allowances is a lot lower. Just as in previous years on average, in the business year 2020/21 the voestalpine Group's need to buy additional allowances (difference between its overall need for allowances less allocated no-cost allowances) equated to about one third of its total CO₂ emissions of some 12 million tons.

The total number of emissions trading allowances available to the EU ETS is to be lowered in stages by the year 2030; in addition to the linear reduction, at any time this may also involve other changes to the trading system. The ensuing uncertainty complicates planning and forecasting, not least with respect to the development of allowance pricing.

7.3 DECARBONIZATION: voestalpine's APPROACH TO THE TRANSFORMATION

As already addressed in earlier CR Reports, voestalpine is pursuing a comprehensive plan for decarbonizing its steel production. The first milestone is planned for 2030. Specifically, this entails reducing process-related CO₂ emissions by about 30%, which corresponds to approximately three to four million tons annually. (To compare: In 2019, voestalpine's direct CO₂ emissions in Austria amounted to some 12 million tons.)

By the year 2050, the company wants to achieve carbon-neutral production by completely replacing coal as the reducing agent with electric-

ity from renewable sources and green hydrogen. The decarbonization process is not linear. Instead, it proceeds in stages that involve the simultaneous optimization of existent technological processes.

In the short term, for example, it should be possible to lower direct carbon dioxide emissions by up to 10% in the production of crude steel for flat products, especially by optimizing both input materials and reducing agents. As any CO₂ optimized process typically incurs additional costs, however, voestalpine is also developing viable business models for that purpose.

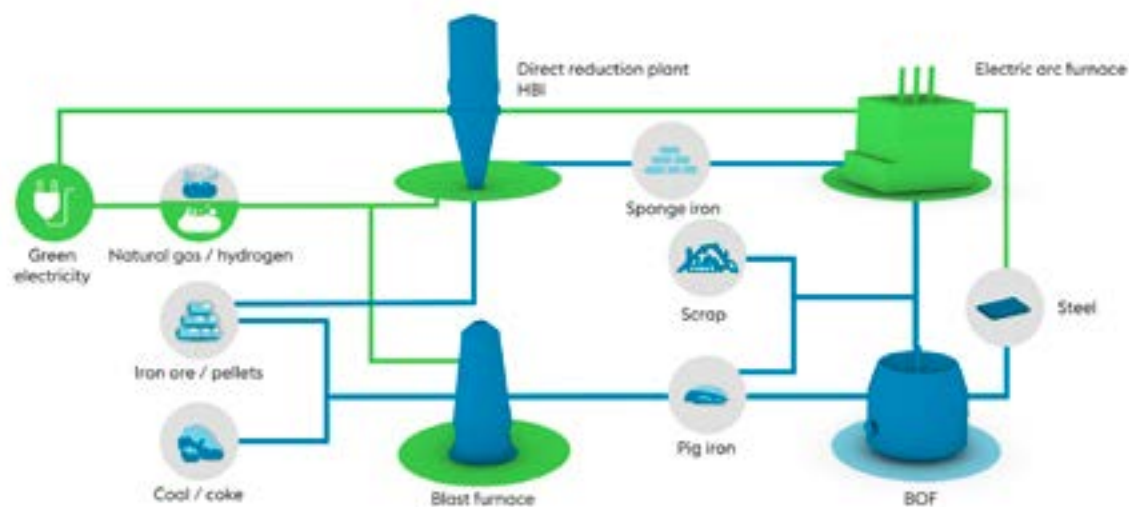
7.4 greentec steel: THE INNOVATIVE HYBRID APPROACH

The greentec steel project serves to convert the coal-based blast furnace steel production route in stages to an electric steel route based on green electricity by 2030—with product quality remaining high.

This transformation is intended not only to enable significant cuts in carbon emissions but also and in particular to pave the way for hydrogen-based decarbonization by 2050.

HYBRID STEEL PLANT BY 2030

Using HBI as a high quality pre-material



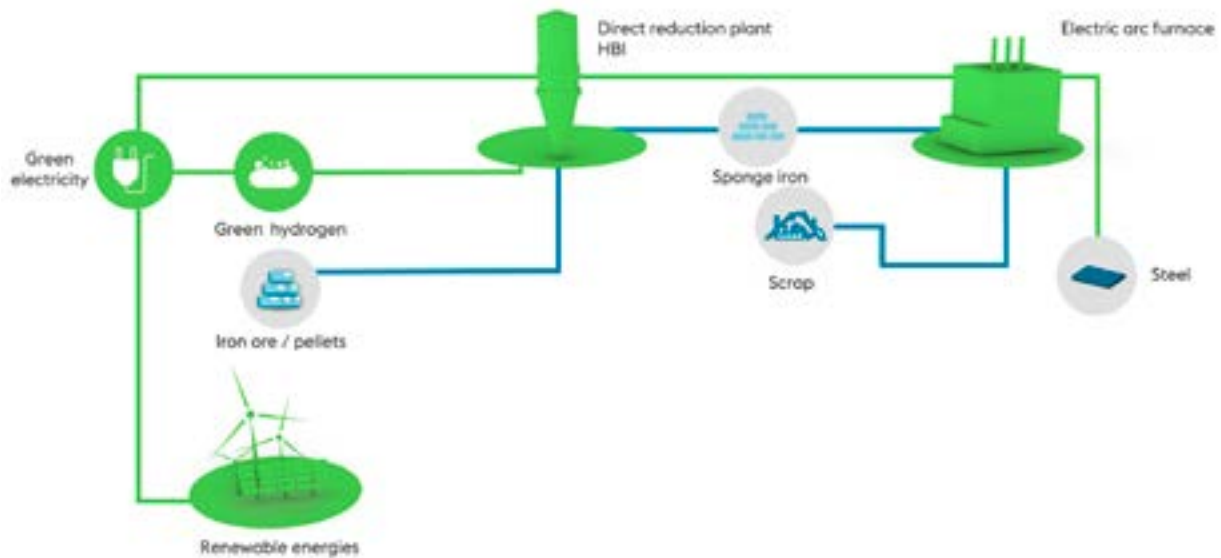
Just replacing one blast furnace each in Linz and Donawitz (Austria) with electric furnaces in a first transformative step will require investments of about EUR one billion. The company cannot pay for these expenditures and the increases in operating costs resulting from green electricity all by itself. Support programs such as the EU ETS Innovation Fund can help to offset the additional expenses. Hence voestalpine submitted an application for its greentec steel project to the fund, which issued a positive assessment in March 2020 as part of the application process's first phase. The funding program, "Important Projects of Common European Interest" (IPCEI), is an additional source of funds that was established to strengthen European value chains.

Over and above issues of technological feasibility, the availability of renewable energies in sufficient quantities and at competitive prices and/or their distribution via efficient electrical grids are fundamental prerequisites for decarbonization to succeed. This applies both to the implementation of a hybrid technology using electric arc furnaces and to the long-term technological transformation based on green hydrogen. The Austrian Power Grid (APG) is conducting an environmental compatibility assessment regarding the expansion (from 110 kV to 220 kV transmission lines) of the electrical infrastructure in Upper Austria (a core region) that is required by 2030 for electrification purposes.

7.5 VISION FOR A GREEN HYDROGEN FUTURE

HYDROGEN-BASED STEEL PRODUCTION

Carbon-neutral production by 2050



The complete transformation from carbon to hydrogen as a reducing agent in both Linz and Donawitz as well as at the DRI plant in Texas, USA, requires an amount of hydrogen that equates to roughly 500 times the capacity of the H2FUTURE pilot plant.

This shows that two factors will be key to the feasibility of decarbonization: research and development of a scalable process technology for major industries, for one, and the continuous and reliably stable availability of green energy at competitive prices, for another. The implementation of both generation and distribution capacities will be realistic only at the pan-European level.

7.6 RESEARCH AND DEVELOPMENT HIGHLIGHTS

voestalpine undertakes intensive collaborative work with partners in industry and science on research and demonstration projects to technologically prepare the envisioned hydrogen-based production of steel. In addition to H2FUTURE—the world's largest proton exchange membrane (PEM) electrolyzer facility for generating and utilizing green hydrogen at the company's plant in Linz—two other fundamental projects are being carried out at the company's facility in Donawitz. For one, research is being conducted as part of the Sustainable Steelmaking (SuSteel) project on technology for producing steel directly from iron ore. This involves the production of steel using a smelting reduction of ores based on hydrogen plasma that omits the pig iron stage. For another, the hydrogen-based fine ore reduction (Hyfor) project involves devel-

oping a process for reducing ultrafine iron ores in a fluidized bed using hydrogen. A pilot plant is currently being built for this purpose. Assuming that the requisite infrastructure is both economically feasible and available, the plan is to bring about the complete shift to green hydrogen by 2050.

Moreover, voestalpine has developed a scalable process for enabling carbon-neutral steel production without the use of fossil carbon and has obtained a patent for it from the European Patent Office. This patent applies in all of Europe's major steelmaking countries and enables the production of sponge iron (DRI or HBI) in the direct reduction process using green hydrogen and biogas.

8. TRANSPARENCY IN THE SUPPLY CHAIN

voestalpine procures a very wide range of materials and products as well as services from a multitude of suppliers. As part of the company's supply chain management, data on the social and environmental effects and risks of suppliers' activities are systematically collected, evaluated, and integrated into the development of supplier relationships.

voestalpine's Sustainability Strategy defines principles that govern both general procurement and raw materials procurement.

General Procurement

When selecting its suppliers, voestalpine ensures that they comply with environmental and social principles. Sustainable supplier management is integrated into the procurement processes in view of maintaining long-term partnerships.

voestalpine ensures that its employees in purchasing are continually given opportunities for training and continuing professional development (CPD) through informational events such as the Purchasing Power Day as well as the three-stage Purchasing Power Academy, which the company itself developed.

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





Raw Materials Procurement

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

We face the challenge of continually 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 an efficient supply chain. New suppliers are assessed in terms of corporate responsibility, quality, and performance and, depending on the outcome of the evaluation, are included in our portfolio of suppliers. The Sustainable Supply Chain Management (SSCM) project was used to screen our raw material supply chains from the bottom up, examining key factors pertaining to corporate responsibility. voestalpine ensures that absolutely all of its raw materials are subjected to this process, thus minimizing risk over the long term.

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



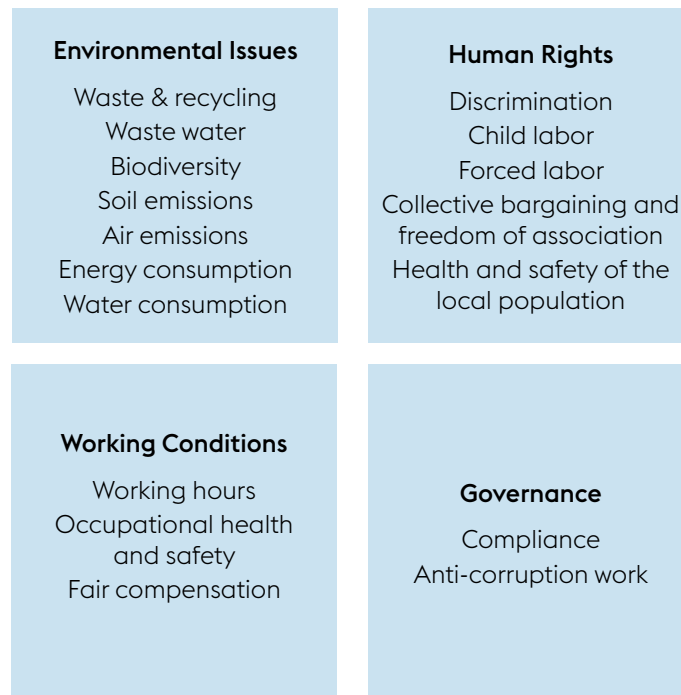
8.1 SUPPLY CHAIN MANAGEMENT

voestalpine has used structured supply chain management for years. The cornerstones of this approach are risk management, the Code of Conduct as an integral part of the company's delivery terms and conditions, and the Sustainable Supply Chain Management project, which includes a Compliance and Corporate Responsibility Checklist (CSR Checklist) serving to elicit voluntary disclosures from suppliers.

In 2016, the Steel Division put the SSCM supply chain project for raw materials in place and analyzed source countries, suppliers, and mining conditions for that purpose. In a next step, the supply chain of the High Performance Metals Division is currently being linked to that project.

The CSR Checklist is sent to suppliers to obtain voluntary disclosures from them regarding their activities in connection with corporate responsibility. The results are imported into a database that serves as a centralized management tool. Finally, both the findings of the analyses and potential improvements are discussed with the suppliers in personal meetings.

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



A concept for analyzing suppliers in terms of risk will be developed during the business year 2021/22 based on insights from the general procurement process. For one, this is designed to carry out risk assessments using prescribed parameters and, for another, to prepare a CSR Checklist based on the SSCM project model, which is provided to suppliers for purposes of voluntary disclosure.

Growing regulatory requirements worldwide provide voestalpine with another decision-making tool for evaluating its own supply chain based on predefined criteria. The developments and findings are analyzed and integrated into the supply chain management processes.

8.1.1 SUPPLIER ASSESSMENT

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

mental management, innovation, quality management, or even flexibility and ability to stick to deadlines.

Suppliers that achieve an A or B rating are given preference in the procurement process. Corrective measures are jointly defined with B and C suppliers and set forth in writing; they must be implemented within one year.

8.2 LOCAL SUPPLIERS

If possible, voestalpine Group companies source their supplies regionally, i.e., from suppliers located in the vicinity of their facilities. The following graph shows the respective share of local suppliers.

Suppliers whose businesses are domiciled in the same country as the voestalpine company they supply are considered local.

LOCAL SUPPLIERS, BUSINESS YEAR 2020/21



8.3 INITIATIVES AND SUPPLY CHAIN TRANSPARENCY PROJECTS

voestalpine is active in a number of advocacy organizations that work on issues of supply chain transparency. For example, experts from a number of different departments participate in working groups set up by ResponsibleSteel in order to help develop the organization's certification standard as well as product-specific re-

quirements. worldsteel, an industry association, collaborates with TD International (TDI), which provides a platform for systematically identifying risks related to materials and source countries. Here, too, voestalpine contributes its relevant expertise.

9. ETHICAL CORPORATE MANAGEMENT

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

Ethical Corporate Management

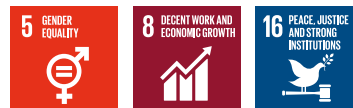
In order to ensure that accountable management and control of the Group serve to create sustainable value in the long term, the Group's Management Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Corporate Governance Code.

Compliance

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

Human Rights

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





9.1 COMPLIANCE

The company 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, suppli-

ers, other business partners, and employees are expressly spelled out in voestalpine's Code of Conduct.

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

9.1.1 THE CODE OF CONDUCT

The voestalpine Code of Conduct was enshrined in writing in 2009. It is the result of numerous conversations and discussions at the level of the Management Board of voestalpine AG as well as the managing directors and department heads of the voestalpine Group. It is based on the Group's corporate values and provides the basis for ethically and legally sound conduct on the part of all of the Group's employees. The Code of Conduct was revised in the business

year 2019/20 to integrate all those of the voestalpine Group's values and behavioral rules that had not yet been included in it as principles.

It has been published in German and 20 additional languages and may be downloaded from the Internet: <https://www.voestalpine.com/group/en/group/compliance/>

The Code of Conduct covers the following areas:

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

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

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

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

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

Business Conduct

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

Dealings with Brokers and Consultants

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

Antitrust Law

This guideline describes the prohibition of agreements restricting competition; provides rules for dealings and interactions with federations, professional associations, or other industry organizations; and defines concrete rules of conduct for 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 & Violations 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 Compliance violations; sanctions; as well as the Web-based whistleblower system that also offers the option of reporting Compliance violations anonymously.

Code of Conduct for voestalpine's Business Partners

These 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 Fundamental Freedoms 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.

Code of Conduct for voestalpine's Lobbyists (Lobbying Code of Conduct)

The Lobbying Code of Conduct, which was newly adopted in the business year 2020/21, regulates dealings with stakeholders in Austria as well as in Europe and internationally in accordance with the Austrian Lobbying and Advocacy Transparency Act in order to provide a clear and transparent framework for voestalpine's lobbying activities. Just as the general Code of Conduct, the Lobbying Code of Conduct, too, is binding on 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.

9.1.2 COMPLIANCE SYSTEM

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

Aside from a Group Compliance Officer, a Divisional Compliance Officer was also appointed

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

Steel Division	High Performance Metals Division	Metal Engineering Division	Metal Forming Division	Other
Divisional Compliance Officer	Divisional Compliance Officer	Divisional Compliance Officer	Divisional Compliance Officer	Group Compliance Officer
Compliance Officer in larger sub-units	Compliance Officer in larger sub-units	Compliance Officer in larger sub-units	Compliance Officer in larger sub-units	

Compliance officers are responsible for the following areas:

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

All other Compliance issues—e.g., environmental law, taxes, accounting, labor law, protection of employees, or data privacy—are not part of the Compliance officers' sphere of responsibility. Other organizational units are responsible for these Compliance issues.

9.1.3 PREVENTIVE MEASURES

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

Employees of the voestalpine Group have completed a total of more than 77,700 train-

ing units on the Code of Conduct and antitrust law (including refresher and advanced courses) since e-learning courses were introduced in the voestalpine Group (antitrust law from 2009, Code of Conduct from 2012).

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

The e-learning courses are continually supplemented Group-wide by face-to-face training tailored to target groups, particularly sales and marketing personnel. This face-to-face training is generally focused on adherence to the law and internal guidelines as well as on (anti) corruption and antitrust law as it applies to the participants' respective sphere of activity. In the business year 2020/21, the COVID-19 pandemic and the ensuing governmental restrictions and/or internal protection and security measures made it largely impossible to carry out such training; it was replaced by training via video conference only in part.

Compliance training is mandatory for young executives: Six to seven face-to-face 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. In the business year 2020/21, the young executive training program and hence the face-to-face Compliance training units were suspended on account of the COVID-19 pandemic.

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

KEY E-LEARNING TOPIC: “COMPLIANCE BASICS”

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

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

Collusion between competitors	Abuse of market position	Case study: Pricing policies	Case study: Sales prices
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KEY E-LEARNING TOPIC: “PROTECTION AGAINST CORRUPTION”

Code of Conduct, contact person(s), and whistleblowing	What is corruption	Legal basics and consequences	Favors and payments	Final test
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9.1.4 REPORTING COMPLIANCE VIOLATIONS

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

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

9.2 CORPORATE GOVERNANCE

The Management Board and the Supervisory Board of voestalpine AG resolved as early as in 2003 to recognize the Austrian Corporate Governance Code (Code), and they have also implemented all of the amendments thereto that were introduced in the meantime.

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

The Code was most recently revised in January 2021. It achieves validity when companies voluntarily undertake to comply with it. The Code aims to establish an accountable corporate governance system for companies and Groups that is geared to the creation of sustainable value in the long term. By voluntarily undertaking to abide by the Code, voestalpine supports these objectives and commits to providing a high degree of transparency to all of the company's stakeholders.

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

10. HUMAN RIGHTS

In its absolute commitment to safeguarding human rights, voestalpine bases its activities on the UN's Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). Since 2013, voestalpine has supported the UN Global Compact (UNGC) whose ten principles address labor standards, environmental protection, and the fight against corruption over and above the promotion of human rights. The present CR Report also serves as the annual Communication on Progress (CoP) under the UNGC.

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

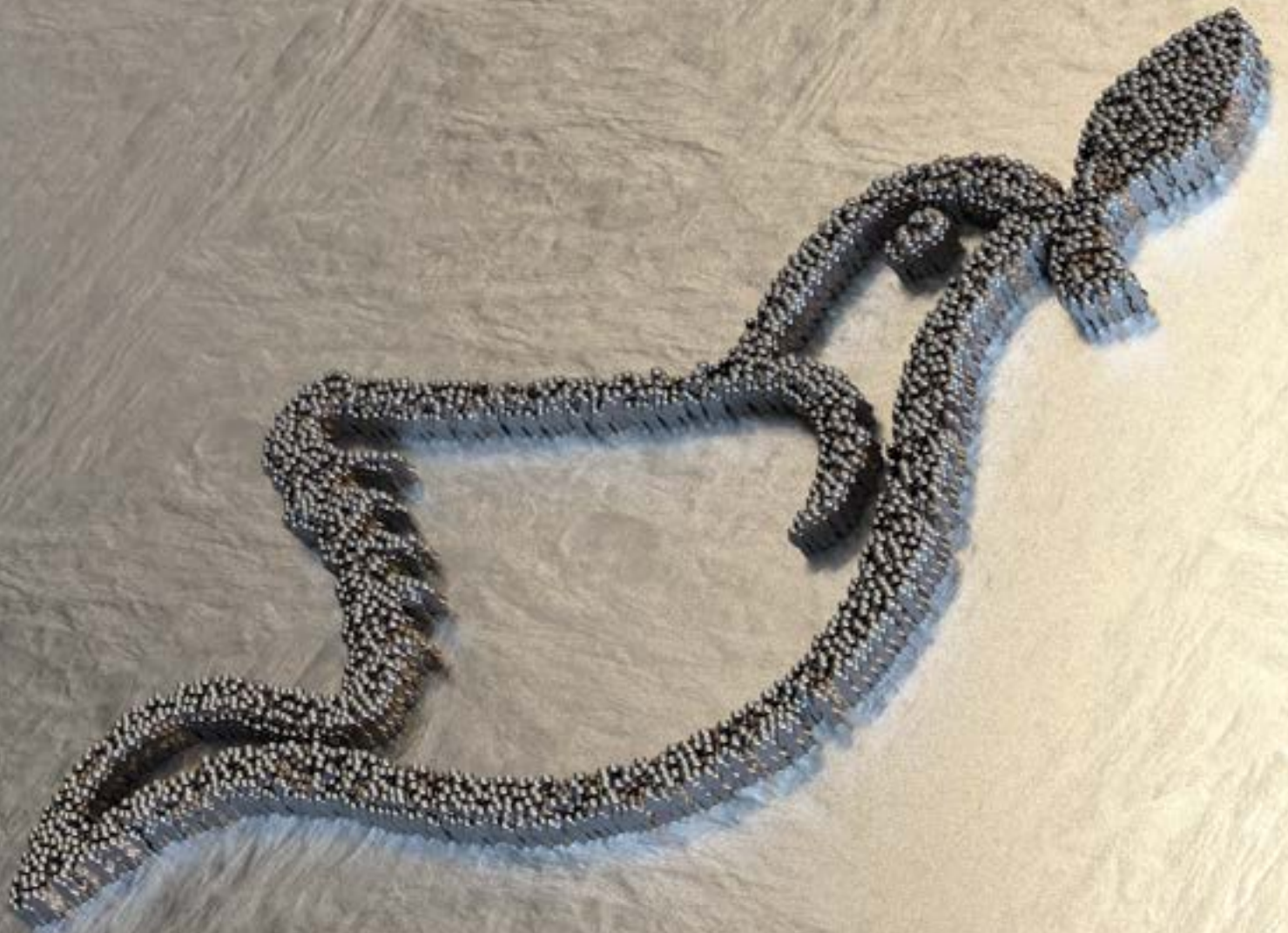
Human rights are also a key element of voestalpine's binding Code of Conduct for Business Partners.

TRAINING

To ensure that human rights are respected and upheld, an online training program is being developed in collaboration with renowned experts. It is designed to sensitize all of the company's employees to their heightened responsibility for compliance with human rights and gives them important information and instructions on how to act.

This is the content of the online learning modules:

- >> Overview of voestalpine's CR Activities
- >> General Introduction to and Explanation of the Concept of "Human Rights"
- >> Human Rights in Day-to-Day Work
- >> Working Conditions and Non-Discrimination
- >> Human Rights in the Supply Chain



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: fight for 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.

FIGHT AGAINST CORRUPTION

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

By signing the Code of Conduct for Business Partners as required, business partners undertake 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 equal treatment of employees; and the right to employee representation and collective bargaining.

COLLECTIVE BARGAINING AND THE RIGHT TO FREEDOM OF ASSOCIATION

About 80% of all 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, which maintain good communications with management.

CHILD LABOR AND FORCED LABOR

voestalpine strictly prohibits child, forced, and bonded labor. So far, no case of any such practices has been recorded anywhere in the Group. Nor does voestalpine tolerate any form of child, forced, and bonded labor at its suppliers and business partners. As part of the company's investigation of the supply chain (Sustainable Supply Chain Management (SSCM)), suppliers are evaluated in targeted fashion as to compliance with human rights and, specifically, the prohibition of child, forced, and bonded labor.

HUMAN TRAFFICKING AND MODERN SLAVERY

Companies of the voestalpine Group that are subject to the UK Modern Slavery Act fulfil the Act's 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 largely comprises the company's own employees. Just as the employees of third-party entities, they too are subject to the Code of Conduct. The third-party entities themselves are subject to the Code of Conduct for Business Partners. Both documents mandate 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 impinge on the rights of aboriginal people.

11. RISK MANAGEMENT

Proactive risk management of the kind voestalpine has been practicing for many years secures the company's existence as a going concern in the long term and thus is key to the success of the Group on the whole. Material risks are identified, analyzed, and assessed systematically and early on via both the uniform risk management process (which all operating and strategic Group companies must undergo several times a year) and the internal control systems (which also are integral components of the organizational and operational structure). These processes are subject to continuous monitoring. Measures to minimize risk are taken immediately as necessary.

See page 73 ff. of the Annual Report 2020/21 for a detailed description of voestalpine's risk management.

The following risks among others are monitored:

- >> Availability of raw materials and energy supplies
- >> Climate change risks
- >> Failure of production facilities
- >> Failure of IT systems
- >> Compliance risks
- >> Risks associated with data privacy and protection
- >> Risks from the financial sector

Physical Risks of Climate Change

The voestalpine Group has taken comprehensive proactive measures to deal with risks from natural disasters such as floods or low water levels, heavy snowfall, droughts as well as strong wind or fluctuations in temperatures. This includes reg-

ular run-throughs as well as inspections and risk surveys that are conducted jointly with insurance companies. At some facilities, especially those located along coasts (e.g., Texas, USA) or rivers (e.g., Linz, Austria), changing water levels also pose risks. voestalpine monitors these and other physical risks on a regular basis and verifies whether the existent emergency plans and structural measures such as fire alarms, sprinklers, and flood control measures continue to provide adequate protection.

In addition to the steps taken within the company, regular information sharing with internal and external insurance companies helps to minimize the fallout from such risks for the Group. As regards raw material supplies (e.g., deliveries by ship to the Linz plant), any climate-induced fluctuations in river water levels and any resulting difficulties in the navigability of rivers (e.g., the Donau River) are considered situationally based on the number of ships utilized and the freight volume.

Other Material Sustainability Risks

Risks from areas such as personnel issues, respect for human rights, and the fight against corruption are taken into account at all levels. For details, see the respective sections of the present CR Report.

Risks from the COVID-19 Pandemic

The COVID-19 pandemic and the resulting medical, economic, and social state of emergency defined the business year 2020/21 also. As part of its crisis management, voestalpine immediately established crisis teams on three decision-making levels (Group, division, company) at the start of the pandemic to ensure rapid and coordinated action in response to the complex challenges and risks facing all Group companies.

These crisis teams were able to quickly implement measures to protect the Group's workforce and to maintain operations. Wherever possible, employees worked from home, and the company provided the requisite equipment and infrastructure to them on short notice. Protective personal equipment (PPE), information, and materials for required hygienic care were made available to all employees who continued to work on site. Supplementary measures aimed at overcoming the economic crisis involved securing the company's liquidity, introducing short

time work and/or reducing time credits as well as implementing early vacation closures. Production activities were adjusted to the prevailing supply chains and curtailed as necessary; in some cases, temporary production shutdowns were necessary as well. All this was accompanied by regular exchanges of information with key customers and suppliers. Emergency and crisis plans were put into action. They are still being evaluated on an ongoing basis alongside the measures taken and are adjusted or expanded as necessary in light of new requirements.

All of this enabled the Group to quickly adjust to the new situation and to protect both the operations and the stability of the organization during the difficult business year 2020/21.

12. RESEARCH AND DEVELOPMENT

voestalpine's corporate strategy focuses on leadership in innovation, technology, and quality. Hence research & development (R&D) are central to the company's business model. The continual development of new products and production processes is indispensable for voestalpine as it aims to differentiate itself from the competition and maintain its technology leadership. Innovation driven by R&D thus ensures the company's success in the long term. As a Group focused on sustainability, voestalpine also works to ensure that absolutely all of its R&D projects in product and process development make a positive contribution to sustainability.



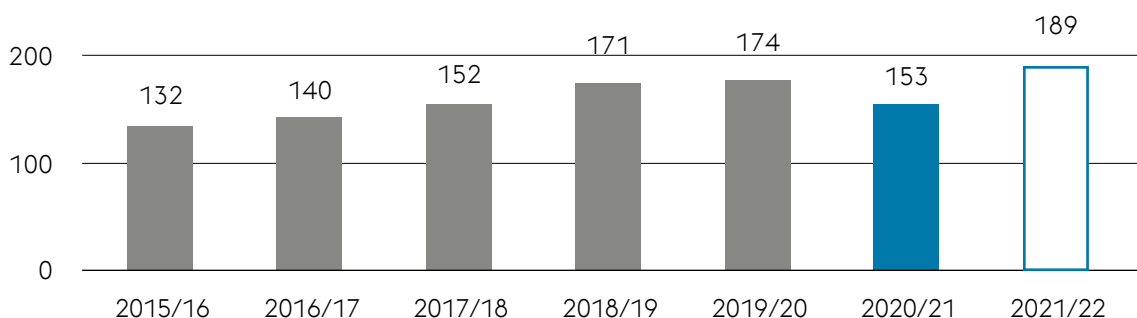
12.1 RESEARCH EXPENDITURES OF THE voestalpine GROUP

While research expenditures have grown continually in recent years, they fell to EUR 153 million in the reporting period due to short time work and other cost savings measures during the COVID-19 pandemic. At EUR 189 million, the

research budget for the business year 2021/22 already exceeds that of previous years, thus reflecting the high priority given to R&D in the Group.

GROSS R&D EXPENDITURES

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





12.2 ON THE WAY TO CLIMATE NEUTRAL STEEL PRODUCTION

Carbon neutrality in 2050: This is the climate target that the European Green Deal has established. Regulatory pressure on the European steel industry, which currently accounts for more than 6% of EU-wide carbon dioxide emissions from fossil fuels, thus is correspondingly high. Markets, too, especially the automotive industry, have become increasingly vocal in recent years as to the need for steel products that are produced with the smallest possible carbon footprint.

voestalpine plays a leading role in the efficient and sustainable production of steel. In order to maintain this high standard, the company continually optimizes its production processes, particularly by leveraging the possibilities of digital transformation. A high degree of automation, model-based controls, the use of artificial intelligence (AI), and virtual reality applications are some of the options voestalpine instrumentalizes to achieve best product qualities through highly efficient production processes while at the same time saving resources, conserving energy, and lowering emissions.

Over and above incremental improvements, the company conducts research on so-called breakthrough technologies that are intended to enable carbon (CO₂) neutral steel production based on hydrogen. Internationally, voestalpine is considered a trailblazer in this area thanks to its research activities—above all the EU-sponsored H2FUTURE project that is being run in collaboration with VERBUND (Austria's largest electricity provider), Siemens, Austrian Power Grid (APG), K1-MET (a metallurgical competence center), and TNO (an applied scientific research orga-

nization). The company's plant in Linz, Austria, is home to the world's largest and most advanced proton exchange membrane (PEM) electrolyzer facility in the steel industry. It serves to research the production of green hydrogen on an industrial scale and to test the options for using green hydrogen in various stages of steel production. The six-megawatt facility has successfully completed various pilot programs since it was commissioned in the spring of 2020.

The Sustainable Steelmaking (SuSteel) project and the hydrogen-based fine ore reduction (Hyfor) project are two additional cutting-edge projects being carried out in Donawitz that rely on hydrogen as the technology that is key to carbon neutral steel production. The groundbreaking SuSteel project (a collaboration with K1-MET and the University of Mining and Metallurgy in Leoben, Austria) involves a pilot plant that produces crude steel directly from iron ore using hydrogen plasma and bypasses the pig iron stage. The Hyfor project involves a collaboration with Primetals Technologies, the University of Mining and Metallurgy, and K1-MET. It focuses on building a pilot plant to reduce iron ore fines using hydrogen in lieu of natural gas. The resulting hot briquetted iron (HBI) can subsequently be utilized in an electric arc furnace to make steel.

A collaborative research project with RAG Austria and the University of Mining and Metallurgy concerns the carbon neutral production of hydrogen. The pyrolysis of natural gas generates hydrogen and solid carbon, which is considered a valuable industrial raw material.

12.3 OTHER R&D CONTRIBUTIONS TO SUSTAINABILITY

The development of a circular economy is an important environmental goal not just for the European Union. In fact, it is integral to voestalpine's Sustainability Strategy. Steel as a material is fully recyclable, because all products made with it can be reused as scrap at the end of their useful lives—completely and any number of times. Furthermore, there are innumerable areas where products made of steel support our customers in their efforts to achieve sustainability.

For example, voestalpine's high and ultra-high tensile steels enable lightweight construction of autobodies. High-performance materials such as titanium alloys are used in lighter components for the aerospace industry. The lower weight of vehicles and airplanes leads to lower specific emissions and greater cruising ranges.

High quality tool steels are continually refined, giving tools substantially longer useful lives, generating much lower production waste, and boosting efficiency in the use of resources.

The leova@UNUM steel trellis post was developed especially for viticulture on steep slopes. Leova delivers the best cost/benefit ratio over its entire useful life compared with alternatives made of wood or cement and is fully recyclable at the end of its useful life. voestalpine has also developed lighter and thus resource-efficient steel base plates for components used to mount photovoltaic installations.

Tailormade functional steel (TFS) refers to digital products that combine steel as a raw material with particular functionalities. The resulting range of applications frequently makes ma-

terial contributions to customers' sustainability when used. Components where conductive paths and the desired sensor technology are integrated into a special varnish are but one example of TFS's wide range of applications. TFS can be used to heat surfaces, display shelving load weights, or measure tank fill levels.

Digital monitoring is becoming ever more important in connection with efforts to increase both utilization and safety in rail traffic. Systems for monitoring and diagnosing rolling stock, fixed assets, and environmental conditions make it possible to identify changes in due time, enable prospective maintenance, and thus ensure a high level of safety and availability in railway traffic. voestalpine's PHOENIXMDS monitoring system analyzes data that have been collected by different sensors and compiles important insights that help to further minimize train standing times, delays, and downtimes.

Additive manufacturing makes it possible to manufacture complex geometries without any loss of materials. For example, the process is used for highly complex tempering and lightweight construction solutions, in toolmaking for the automotive and consumer goods industries as well as for applications in medical technology. voestalpine's seven additive manufacturing centers produce high-end custom products using fifteen 3D printers. The Group's own plants in Kapfenberg, Austria, and Hagfors, Sweden, manufacture the highest-quality metallic powder that is used as the pre-material. voestalpine also provides component construction and component simulation upon customer request and/or in collaboration with customers.

13. THE ENVIRONMENT

Environmentally-conscious action is firmly integrated into the voestalpine Group's corporate philosophy. Hence the company endeavors not only to use resources such as raw materials and energy economically along the entire production chain but also to minimize the environmental impact of processes and products.

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

All of these activities are supported by transparent and efficient environmental management systems (EMSs) that have already been implemented more or less across the entire voestalpine Group.

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

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



Environmental protection is a core component of voestalpine's Sustainability Strategy. The following principles are enshrined in it.

**Emissions in the Air, Soil, and Water:
Minimize using the best available
technologies**

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

**Circular Economy and
Life Cycle Assessments (LCAs)**

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

**Energy and Climate Policy:
Commitment to
low carbon production**

We are meeting the challenge of decarbonizing the economic system in the long term especially 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, advocacy and interest groups, civil society as well as the scientific community and environmental organizations.



13.1 ENVIRONMENTAL MANAGEMENT SYSTEMS

voestalpine's internal environmental data management encompasses about 130 production companies or facilities worldwide that have a material impact on the Group's environmental performance. This includes all business segments that produce and process steel and thus absolutely all those that are energy and emissions intensive.

Approximately 150 key figures are compiled periodically, for example, those related to energy and materials efficiency; emissions; water, waste, and recycling management; as well as environmentally relevant investments and expenditures. These data are used for purposes of external reporting and fulfilment of reporting obligations, but they also provide the ba-

sis for environmental assessments of processes, products, and materials. In addition, the metrics compiled as part of environmental data management undergird the Group's environmental activities, both strategically and operationally.

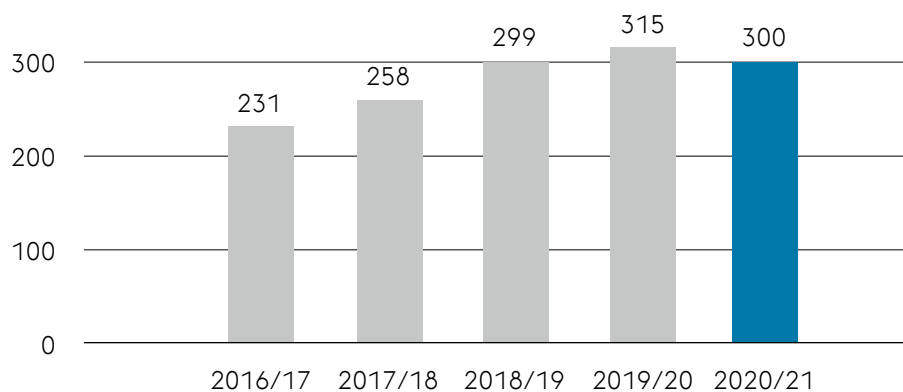
The voestalpine Group has implemented management systems across the board worldwide. Fully 70% of its production plants have implemented an environmental management system (EMS) pursuant to ISO 14001 or the EU's Eco-Management and Audit Scheme (EMAS); an additional 8% possess other certifications. Twenty-seven percent of the entities are subject to certified energy management pursuant to ISO 50001.

13.2 ENVIRONMENTAL EXPENDITURES

In the past ten years, the voestalpine Group's total environmental expenditures were EUR 2.5 billion.

ENVIRONMENTAL EXPENDITURES

In millions of euros



Following the record level of EUR 315 million in the business year 2019/20, at EUR 300 million in the reporting period they are still very high. Purchases of EU emissions trading allowances (EUA) account for EUR 77 million (26%) of total expenses.

Almost all environmental expenditures go toward measures related to

- >> air emissions and clean air activities including CO₂ costs (58%);
- >> waste recycling, reuse, and disposal (23%); as well as
- >> measures to protect the aquatic environment (17%).

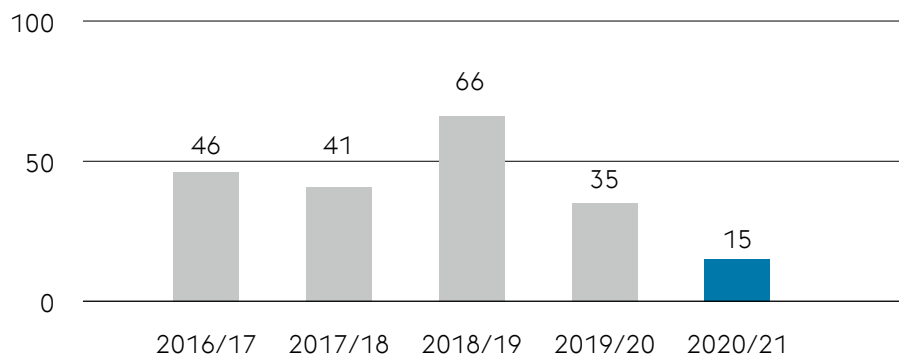
13.3 ENVIRONMENTAL INVESTMENTS

In the pandemic year 2020/21, environmental expenditures also declined in keeping with the Group-wide trend toward lower investments; they fell from EUR 35.0 million to EUR 15.3 mil-

lion. Over the past ten years, cumulative investments in environmentally relevant facilities were EUR 382 million.

ENVIRONMENTAL INVESTMENTS

In millions of euros



Despite the decline in the investment volume, a number of important environmental mitigation projects were carried out at sites in Austria and abroad. They focused on emissions reductions and energy efficiency (including the use of exhaust heat and the expansion of captive production of renewable energy) as well as on the continued pursuit of the decarbonization research and development projects described in the "Climate Action" chapter.

The Steel Division focused chiefly on measures aimed at continually boosting resource efficiency. These action steps permanently lower the use of fossil fuels, the need for electrical energy as well as the need for water to cool facilities.

The work on the legacy pollution clean-up project on the areal of the former coking plant in Linz, Austria, continued during the reporting period. Additional investments concerned new charging stations for expanding in-house e-mobility.

The High Performance Metals Division focused on investments related to energy efficiency. Over and above the comprehensive implementation of certified energy management systems pursuant to ISO 50001 in all production companies, in the business year 2020/21 this division accomplished the following: It optimized its combustion technology; installed new, efficient lighting systems; and carried out various

improvements of existent system controls as well as numerous process innovations in production. Cumulatively, these measures generate long-term savings of 85,000 GWh or about EUR 2.4 million.

The division also prioritizes issues associated with the circular economy. Strategic projects are in the process of being implemented to boost resource efficiency and secure supplies of key raw materials. This includes the recovery of alloying elements from production by-products; the creation of closed-loop material cycles (CLMC) with customers; the development of alternative (secondary) sources of raw materials; and the substitution of primary raw materials through secondary raw materials.

The investments of the Metal Engineering Division primarily funded comprehensive measures to lower energy consumption and/or enhance the plants' captive energy generation. For example, the conversion of a power generation unit in Donawitz to modified sliding pressure operation was completed at the end of the business year 2020/21; this reduces the need to procure third-party electricity by some 6,000 MWh per year. More than 9,000 MWh of additional energy sourced via the plants' captive generation capacities are obtained annually via cumulative individual measures in the power plant. The optimized converter gas facility, which was brought online at the beginning of the business year 2021/22, now makes it possible to increase the division's captive production of electricity in its power plant by some 5,700 MWh a year.

Steps to achieve significant energy savings and/or CO₂ reductions were also implemented in connection with the sintering plant and other steelmaking facilities. This also applies to other operations such as the manufacture of rails and wire.

Yet other activities focused on optimizing cooling water and waste heat cycles.

The Metal Forming Division increasingly relies on induction instead of gas burners to heat and/or heat-treat strip steel and steel parts. The electrical energy required to this end is generated carbon neutrally in captive hydropower plants and photovoltaics installations. In calendar year 2020, the division's Böhlerwerk facility in Austria achieved a new all-time high regarding the volume of captive electricity generated: Eighty-seven percent of the required electrical energy are already being supplied by the company's own hydropower plants. Energy efficiency measures also helped to cut energy use by some 500 MWh. Of this amount, electricity accounted for 260 MWh and natural gas for 20,500 m³. In turn, this helped to avoid about 40 tons of carbon dioxide emissions.

13.4 AIR EMISSIONS

Due to both processes and raw materials, conventional production of pig iron and steel generates various emissions such as CO₂ but also sulfur dioxide (SO₂) and nitrogen oxides (NO_x).

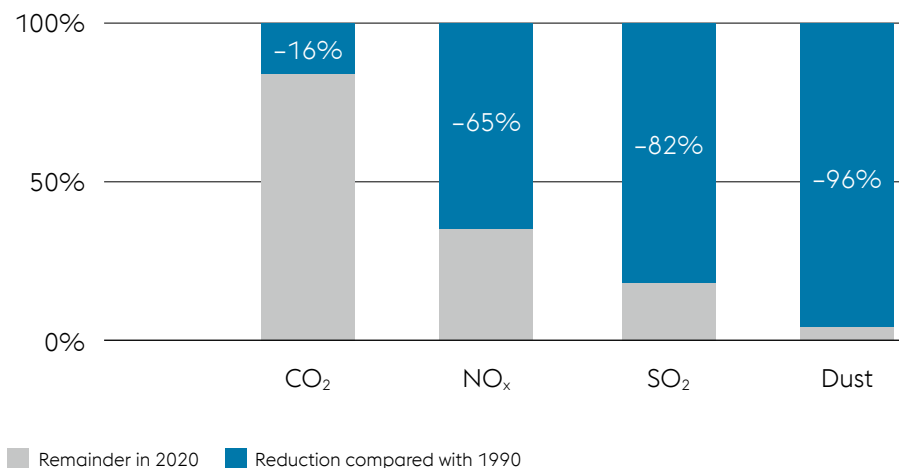
voestalpine fully complies with the statutory limits regarding all of the aforementioned emissions. These parameters are verified and their annual loads determined by means of continuous measurements, periodic analyses, and material flow analyses. For many years, the company has consistently taken measures to reduce process-related air pollutants to the technologically achievable minimum. Aside from continual process optimization (so-called “process integrated (PI) measures”), state-of-the-art scrubbing facilities (so-called “end-of-pipe measures”) serve to minimize remaining emissions.

Comprehensive environmental measures have enabled the voestalpine Group over the past three decades to substantially reduce its emission levels. As a result, specific emissions of CO₂ were lowered by about one-fifth, SO₂ emissions by three-quarters, and NO_x emissions by just under two-thirds; dust emissions have already been cut to almost zero.

However, the greenhouse gas emissions (GGE) must be eliminated first and foremost if the political climate targets are to be achieved. In steelmaking, this can be achieved solely by shifting to new technologies (some of which have yet to be developed) based on green electricity and/or green hydrogen (for more information, see the “Climate Action” chapter).

REDUCTION IN EMISSIONS

Per ton of crude steel since 1990



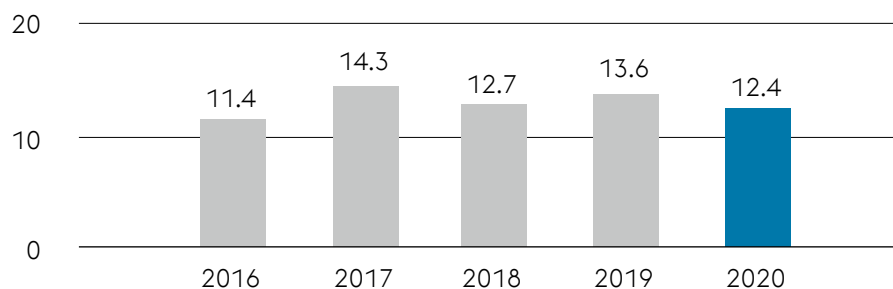
13.4.1 GREENHOUSE GAS EMISSIONS

Due to the downturn in production, the direct greenhouse gas emissions (Scope 1) of the voestalpine Group's roughly 130 production facilities declined in calendar year 2020 from 13.6 million tons to 12.4 million tons of CO₂ equivalents. The Group's crude steel production fa-

cilities in Linz and Donawitz, both of which use the blast furnace route, accounted for the lion's share of these emissions. The data takes the carbon dioxide, methane, and nitrous oxide emissions into account.

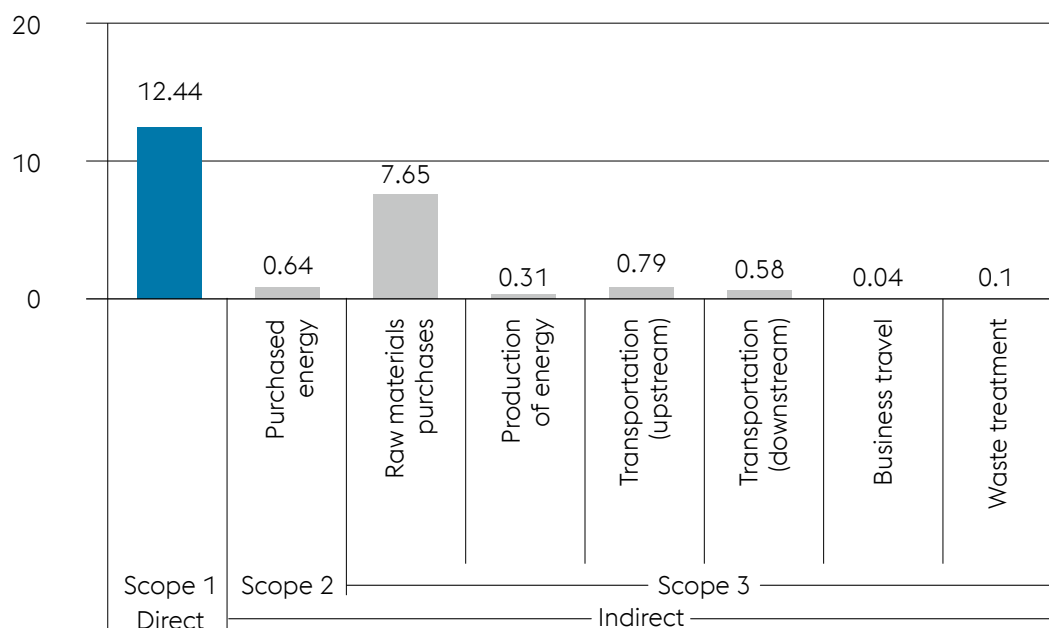
SCOPE 1 EMISSIONS

In millions of tons of CO₂e



DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS 2020

In millions of tons of CO₂e



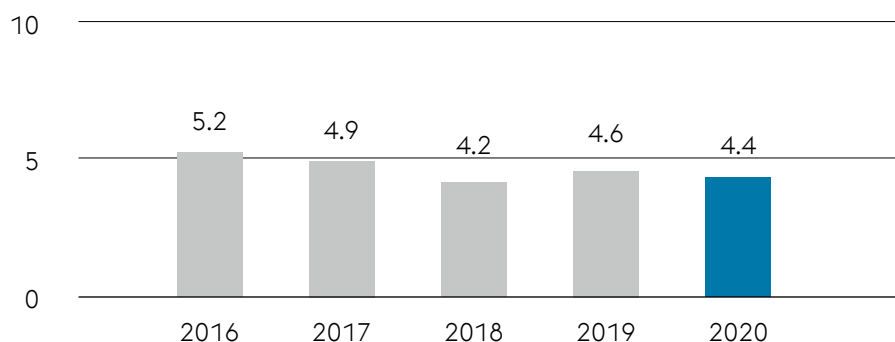
13.4.2 SO₂ EMISSIONS

The use of particular raw materials—especially coal and coke—introduces sulfur into the production process. Sulfur is emitted in the form of sulfur dioxide (SO₂) during additional processing steps and when by-products (coke oven gas (COG) and blast furnace gas (BFG)) are used for thermal recycling.

While the specific SO₂ emissions in calendar year 2020 were 0.46 kg/t of product and thus less than the previous year's value of 0.49 kg, in absolute terms the SO₂ emissions fell from 4.6 kt to 4.4 kt due to curtailed production.

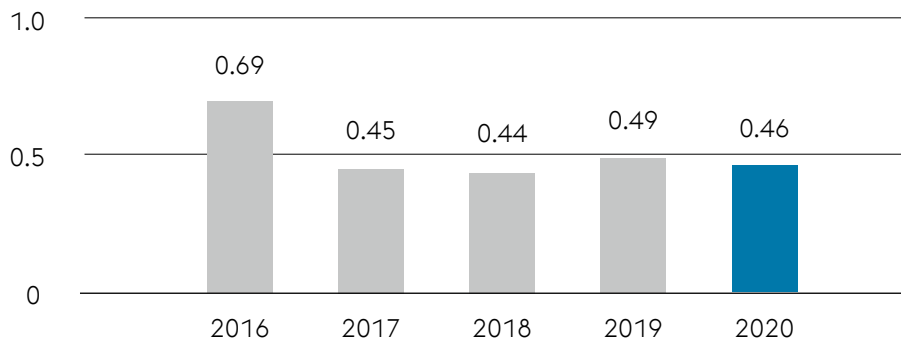
SO₂ EMISSIONS

kt



SPECIFIC SO₂ EMISSIONS

kg/t product



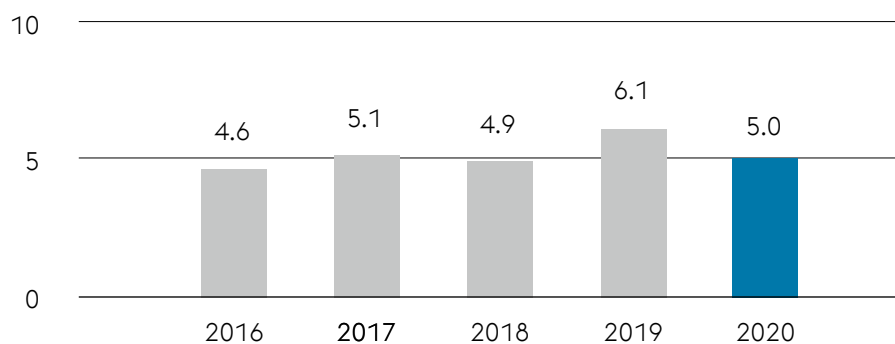
13.4.3 NO_x EMISSIONS

Nitrogen oxides are generated through the operation of industrial furnaces and thermal recycling of by-product gases.

Due to the lower production volume, in calendar year 2020 voestalpine's absolute NO_x emissions fell from 6.1 kt to 5.0 kt. The specific NO_x emissions per ton of product fell from 0.64 kg to 0.53 kg.

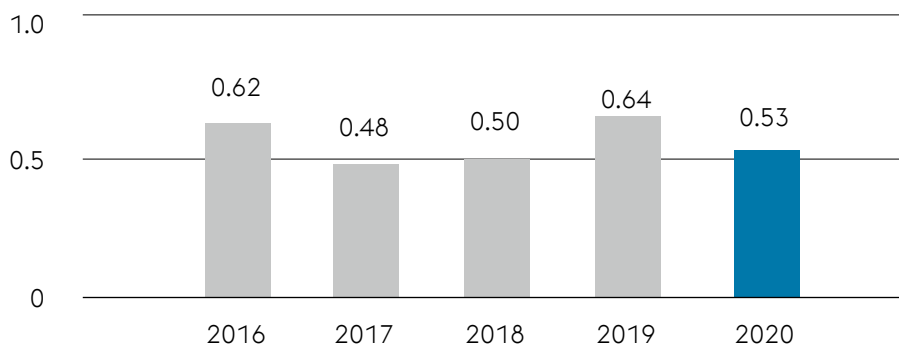
NO_x EMISSIONS

kt



SPECIFIC NO_x EMISSIONS

kg/t product



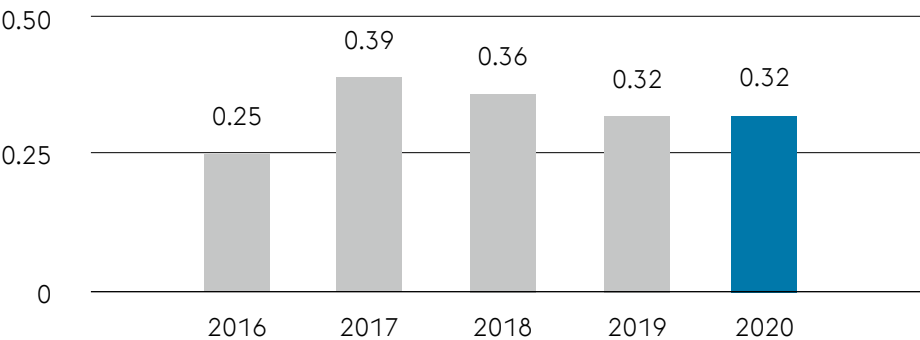
13.4.4 CAPTURED DUST EMISSIONS

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

Year over year, the captured dust emissions per ton of product remained low in calendar year 2020, both in absolute terms (0.32 kt) and specifically (34 g).

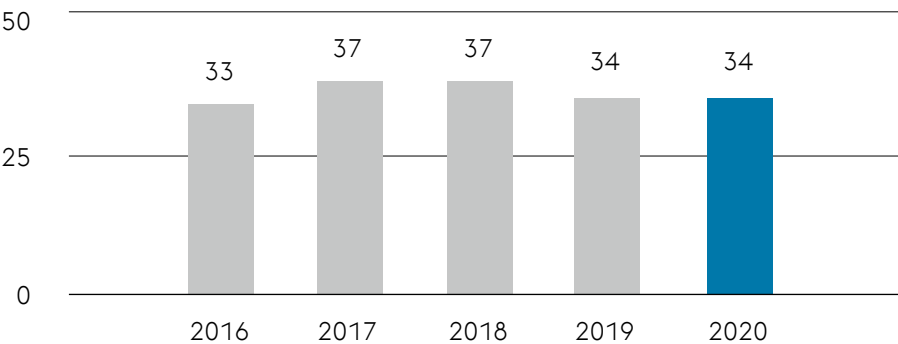
CAPTURED DUST EMISSIONS

kt



SPECIFIC CAPTURED DUST EMISSIONS

g/t of product



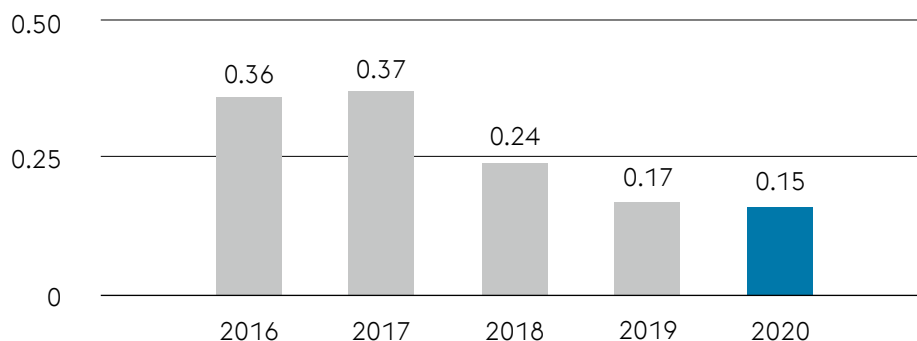
13.4.5 ORGANIC AIR POLLUTANTS

Organic air pollutants (i.e., volatile organic compounds (VOC)) are generated primarily during the thermal process stages of crude steel production and/or in connection with the associated combustion processes.

The VOC emissions have steadily declined since a state-of-the-art coal drying system was commissioned in calendar year 2018. They fell yet again year over year in 2020, both absolutely (from 0.17 kt to 0.15 kt) and specifically (from 18 g to 16 g per ton of product).

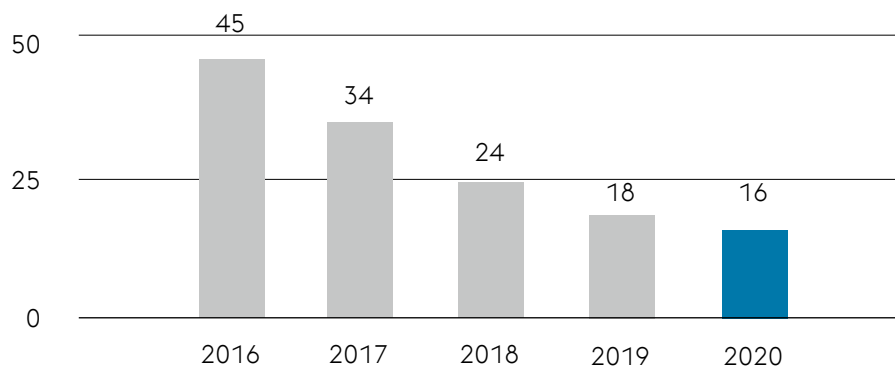
VOC EMISSIONS

kt



SPECIFIC VOC EMISSIONS

g/t of product



13.5 WATER MANAGEMENT

Water serves to cool equipment and to generate steam that is used to produce energy and thus is an important consumable and auxiliary material in the entire production and processing cycle.

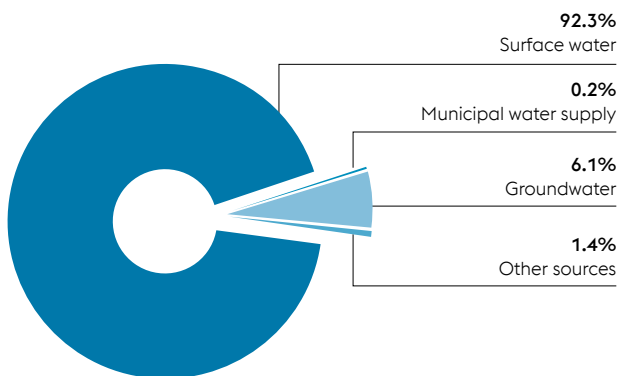
Thanks to circular systems and repeated utilization of process water, voestalpine uses water resources as sparingly as possible. In keeping with ISO 14046 and the integrated LCA approach, assessments of the water circulation systems are performed across all production steps and sites.

The amount of water used fell from 703 million m³ in 2019 to 678 million m³ in 2020. Most of it (92%) was sourced from surface water for cooling purposes and returned back to the source in the same quality. The direct net consumption of freshwater fell from 12.5 million m³ to 12.4 million m³, which equates to an unchanged 1.32 m³ per ton of product.

Upstream steel production accounted for most of the indirect consumption of 47.4 million m³ (2019: 47.9 million m³) in absolute terms and 5.03 m³ (2019: 5.03 m³) per ton of product.

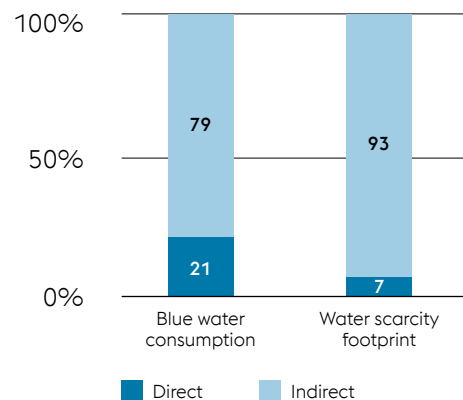
The impact of voestalpine's process plants on local water systems thus is relatively low and does not aggravate conditions in regions already affected by water scarcity. This is the finding of an externally verified study that determined the water scarcity footprint based on an analysis of all production activities across the entire value chain ("cradle to gate"). Determining the "blue water consumption" (i.e., the net consumption of freshwater) and/or the water scarcity footprint of each and every production facility involves analyzing the ways they contribute to the given region's water scarcity in detail, also taking local hydrogeological conditions into account.

WATER EXTRACTION 2020



WATER FOOTPRINT voestalpine GROUP

in %



13.6 WASTE & RECYCLING MANAGEMENT

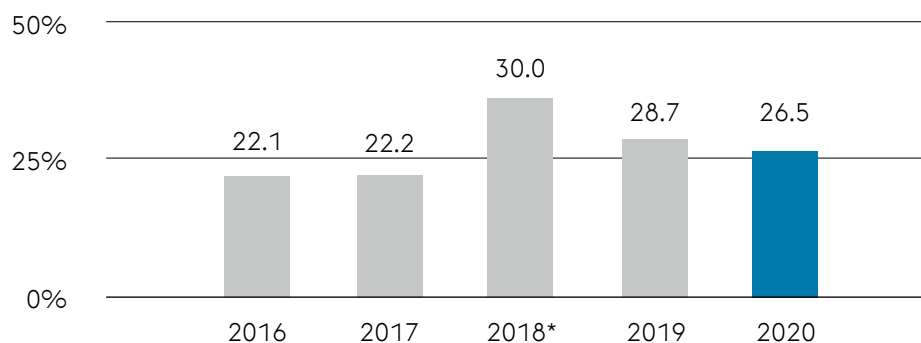
The sustainability of steel as a material concerns not just the production processes. Increasingly, it is also assessed in relation to the products and applications manufactured from it (for more information, see the “Product Sustainability” chapter). Steel is considered a permanent material thanks to properties such as longevity, ease of repairability, and the possibility of converting steel scrap any number of times into new steel products (multirecycling of steel). Hence steel already makes a substantial contribution to the practice of circularity that the EU wants to achieve by 2050.

However, resource-efficient production also requires increasing the useful life of products and continually improving their reusability and recoverability. As a result, own and third-party scrap are an important source of raw material for voestalpine, whether in connection with conventional technology (used especially in steel plants) or the envisioned shift to electric furnaces.

In addition to the blast furnace/steel plant route practiced in both Linz and Donawitz, scrap is already being used to manufacture special steel grades in the electric furnaces of the High Performance Metals Division. In calendar year 2020, the recycling rate relative to product output was 26.5%. This metric concerns the product's iron content that is derived from secondary raw materials such as scrap iron.

RECYCLING RATE

in %



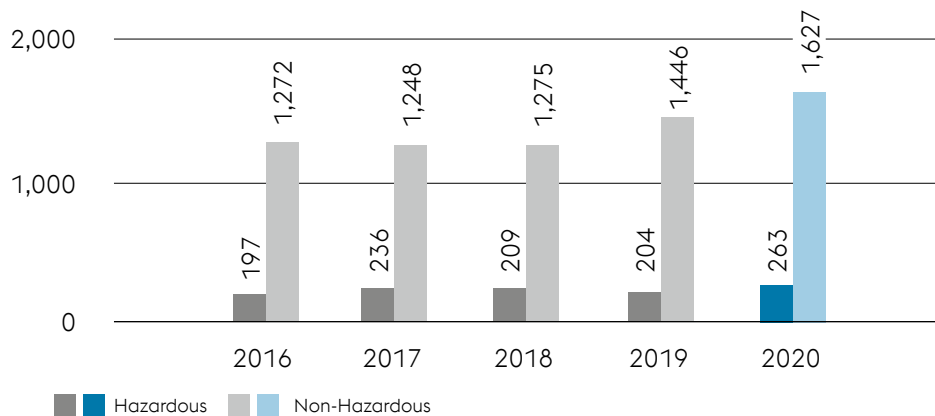
* From 2018: Recycling rate of iron relative to product output

voestalpine implements numerous measures to promote internal circularity as well as external utilization of residual products and waste from both the production plants and downstream facilities. For one, process management in the integrated steel mills is subject to continual improvement. For another, internally and externally generated products as well as residual products and waste such as scrap and plastic are (re)used in the production plants. By-products such as steel mill dust or slag are utilized in the zinc industry or in the production of cement.

The specific volume of hazardous waste in calendar year 2020 was 28 kg per ton of product, and that of non-hazardous waste 173 kg per ton of product. The increase in the amount of waste stems from rebuilding and demolition work.

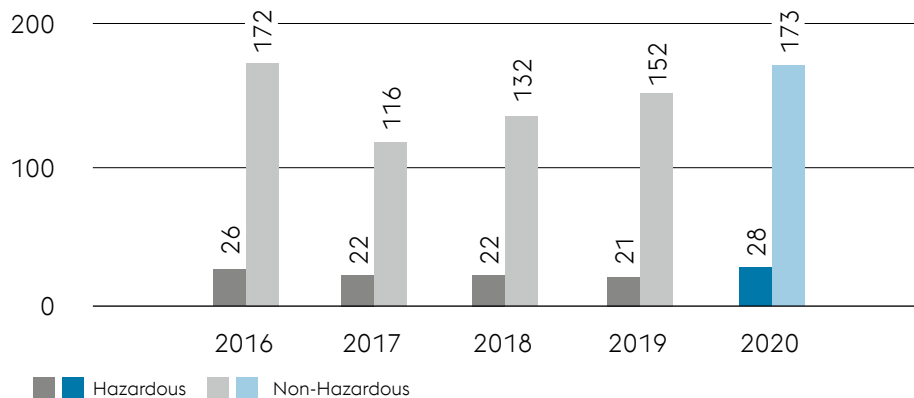
WASTE VOLUME

kt



SPECIFIC WASTE VOLUME

kg/t product



13.7 ENERGY

Conventional steelmaking in the blast furnace/LD steel plant process is energy intensive. The input materials are required especially for reducing the raw material (iron ore) to iron, i.e., to remove the oxygen from the ore. More climate friendly technologies that voestalpine is developing rely, for example, on the direct reduction of iron ore using hydrogen. But the reduction step requires the same amount of energy as the conventional process. Hence any substantial increase in energy efficiency that serves to lower the large amount of energy required thus is limited for chemico-physical reasons.

Currently, fossil fuels still provide the energy required for the conventional blast furnace/LD process: coal accounts for 50.4%, coke produced from coal for 15.4%, and natural gas for 28%. Subsequently, most of this energy is converted. In captive power plants, process gases are turned into electricity that is then used in the production process and in the downstream processing steps. At a mere 5.6% of the total energy consumed, electricity sourced from third parties via the external electric grid thus plays but a minor role in the voestalpine Group.

The share of renewable energy that the Group itself generates via hydropower and photovoltaics is steadily being expanded (see also “Environmental Investments”).

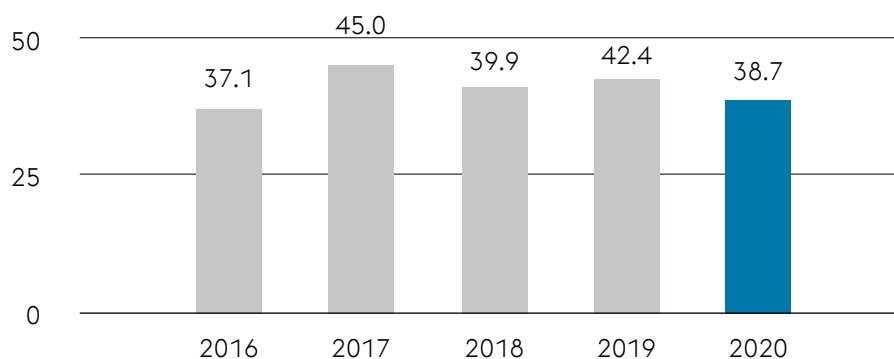
Energy efficiency gains in voestalpine’s integrated steel mills are achieved through the continual optimization of process gas recycling, the use of waste heat potentials, and a comprehensive energy management system (see also “Environmental Management Systems”).

In calendar year 2020, the voestalpine Group’s total energy consumption was 38.7 TWh (4.1 MWh per ton of product) and thus lower than in 2019 (42.4 TWh or 4.4 MWh per ton of product) for reasons related to production. The largest consumers were the steel production plants in Linz (24.1 TWh) and Donawitz (5.1 TWh) as well as the direct reduction plant in Texas/USA (4.7 TWh).

voestalpine’s total energy consumption currently equates to approximately one half of Austria’s total electricity production. This illustrates the fact that achieving climate neutrality is a massive challenge, because it presupposes the availability of adequate capacities for generating the green power and/or green hydrogen required for decarbonization.

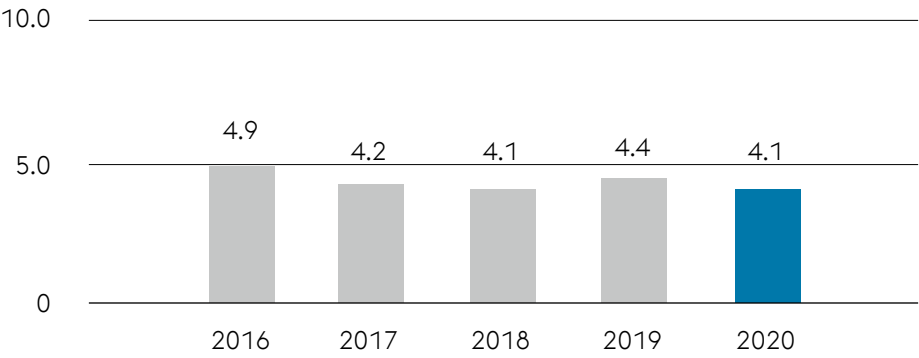
TOTAL ENERGY CONSUMPTION

TWh

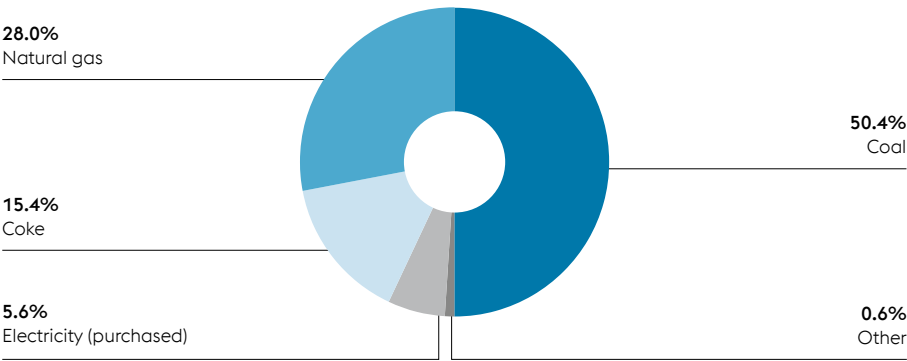


SPECIFIC TOTAL ENERGY CONSUMPTION

MWh/t of product



PERCENTAGE OF ENERGY SOURCES 2020





14. HUMAN RESOURCES

Our success as a steel and technology group is based on our employees' particular expertise and high motivation. Hence voestalpine places great value in a respectful corporate culture, the diversity and individuality of its employees as well as their qualifications—all of which is reflected in the guiding principles of our Sustainability 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 potential impairment—and create the conditions for both equal opportunity and work that maintains people's health and is appropriate to life's different phases.

Training and Continuing Professional Development (CPD)

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



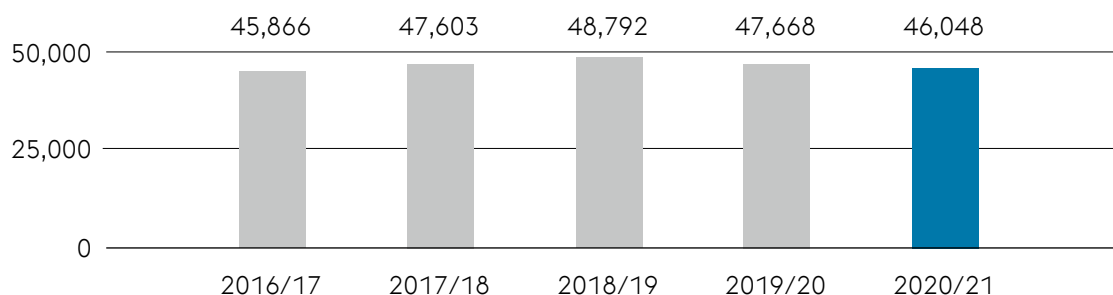
14.1 EMPLOYEE STRUCTURE

As of the annual reporting date (March 31, 2021), the voestalpine Group had a global workforce of 46,048 employees (head counts).

When 1,309 apprentices and 3,116 temporary employees are included, this number rises to 48,654 full-time equivalents (FTEs).

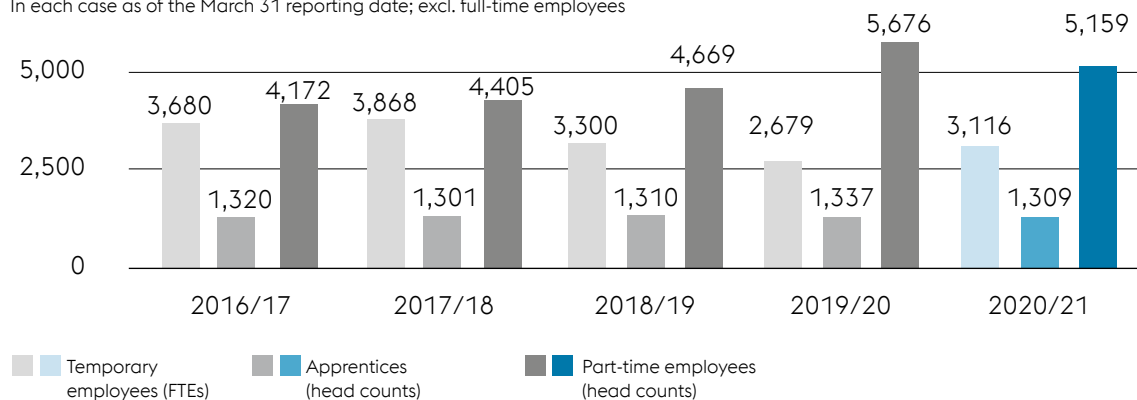
DEVELOPMENT OF THE NUMBER OF EMPLOYEES

Personnel (excl. apprentices and temporary employees, head counts) as of the March 31 reporting date



EMPLOYEE STRUCTURE BY EMPLOYMENT CONTRACT

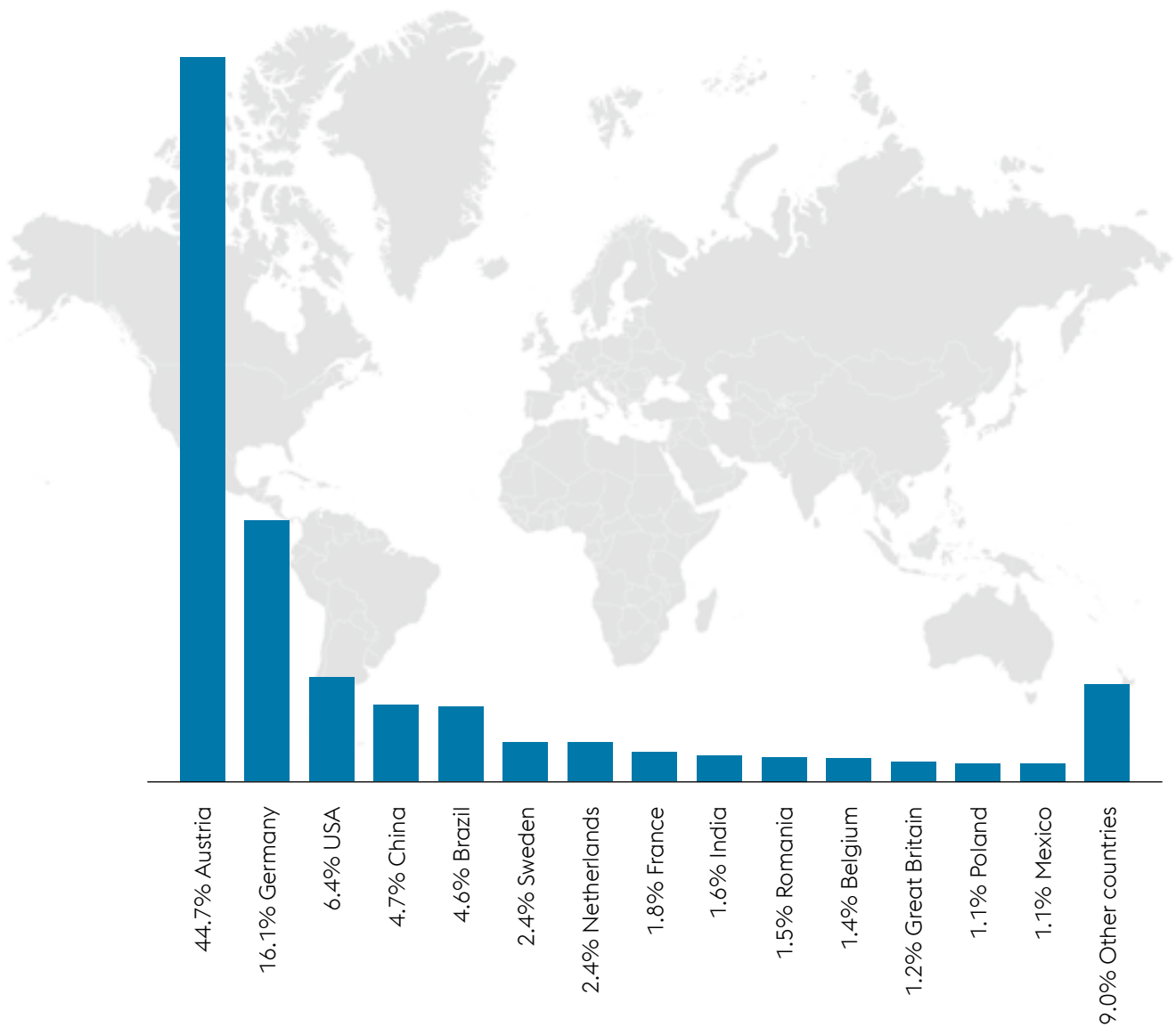
In each case as of the March 31 reporting date; excl. full-time employees



14.1.1 EMPLOYMENT BY COUNTRY AND REGION

voestalpine comprises about 500 Group companies and sites in 50 countries on five continents. A total of 44.7% of the company's

employees (FTEs) are based in Austria, and 55.3% work at facilities outside of the country.

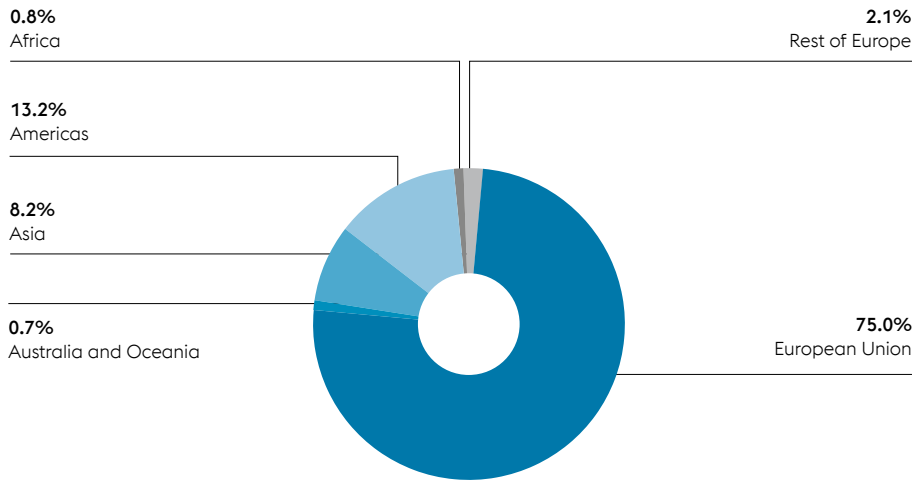


voestalpine is considered an attractive employer in the countries in which it works. This facilitates

local recruiting, with the result that most employees at any given site are local residents.

WORKFORCE BY REGION

As of the annual reporting date (March 31, 2021), based on FTEs



German and English are the predominant languages in the voestalpine Group. The Group's most important publications are published in these two languages, but they are translated

into multiple other languages also; this applies to the Code of Conduct, the Corporate Responsibility Factsheet as well as the Employee Magazine.

14.1.2 YEARS OF SERVICE AND EMPLOYEE TURNOVER

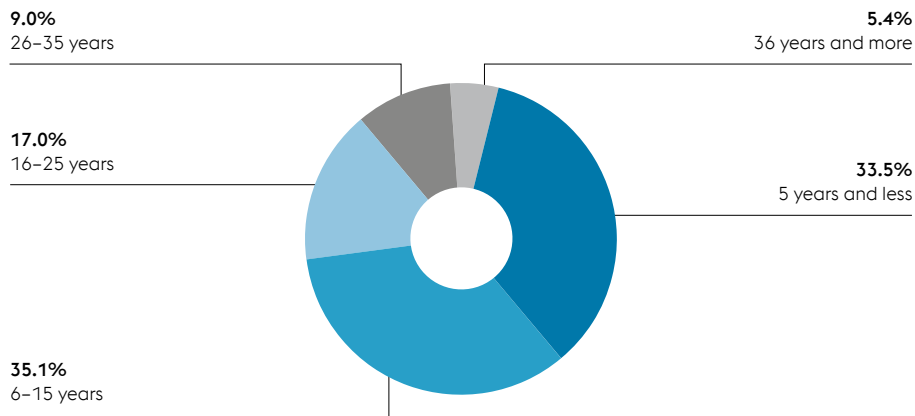
In the business year 2020/21, employees who had six to fifteen years of service with the Group constituted the largest group, followed by em-

ployees who had been with voestalpine for a period of five years or less.

YEARS OF SERVICE

As of the March 31, 2021, reporting date

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



Numerous measures ensure that both the knowledge and the experience of our employees are put to the best use possible, thus continually enhancing voestalpine's attractiveness as an employer. This also keeps the employee turnover rate low. In the business year 2020/21, the turnover rate for employment contracts terminated by mutual agreement or by the employee was 7.7%. The collection of data regarding new

hires and departures takes all employees into account (managing directors, management board members, and temporary absentees are included; but apprentices, interns, freelancers, and master's/doctoral degree candidates are excluded). There were 24 applications for each job opening, thus illustrating voestalpine's attractiveness as an employer.

14.2 EQUALITY AND DIVERSITY

Globally, just over 49,000 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 then 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 part-

ners—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 on "Respect and Integrity" of the voestalpine Code of Conduct, the Group does not tolerate any discrimination, whatever form it may take.

14.2.1 DIFFERENTLY-ABLED INDIVIDUALS

In Austria, companies with more than 25 employees are required to make jobs available for differently-abled individuals. As of March 31, 2021, a total of 611 voestalpine employees in Austria reported that they were subject to the beneficiary classification under the Austrian Act on the Employment of Differently-Abled Individuals (*Behinderteneinstellungsgesetz*). For reasons related to data privacy, outside of Austria no information is collected on employees' po-

tential impairment. It goes without saying that voestalpine fulfills all statutory requirements regarding the employment and integration of differently-abled individuals that may apply at any given location. A range of measures also ensures that everybody within the Group engages in mutually respectful treatment. voestalpine also supports integration measures outside of the Group's purview.

myAbility Talent® PROGRAM

voestalpine has participated in the myAbility Talent® program since 2020. It helps differently-abled or chronically ill college and university students and young graduates to network with companies that consider an impairment a strength and not an impediment. The program has already been rolled out in seven cities in German-speaking territories; 2020 was the first year it took place in Linz, Austria.

The talent identified as part of the myAbility program is supported over one semester with respect to questions such as how to apply for a job, how to plan their careers, and how to build up their soft skills. During subsequent networking events, the respective indi-

viduals can network with companies that recognize the potential of differently-abled individuals and are open to new recruiting approaches. Following the initial contact, the relationships are expanded through so-called "job shadowing," where select talent spend between one and three days learning about a given employee's day-to-day work; this involves observing the employee while they carry out their tasks as well as during meetings, events, etc. Unfortunately, no in-person job shadowing took place during the reporting period due to short time work, increasing work from home, and the COVID-19-induced limitations, but digital alternatives were sought out and offered.

14.2.2 WOMEN IN voestalpine

It is voestalpine's stated goal to increase the percentage of women on all levels, from apprentices to executives, as set forth in the company's Sustainability Strategy:

"We create the general framework for equal opportunity and aim to raise the percentage of women in technical fields and/or among technical apprentices by 2025. We help to make mathematics, informatics, natural sciences, and technology (MINT) more attractive for women and seek to increase the percentage of women in both job applications and employment."

voestalpine ensures through measures that are adapted to individual companies and regional circumstances that potential female applicants are interested in the company and that female employees are given good development opportunities.

As of the annual reporting date (March 31, 2021), women accounted for 14.8% of all employees in the voestalpine Group. The percentage of female workers among wage employees was 5.8%; among salaried employees it was 29.3%. A total of 13.6% of all executives (salaried employees with permanent responsibility for human resources, including forepersons, but excluding members of the Management Board) were women. There was a slight increase in the number of women in most of these categories. The number of women among apprentices completing non-technical training (shown in the "Female apprentices (other)" category) was particularly high and surpassed 50% in the reporting period for the very first time.

STRATEGIC SPHERE OF ACTION "WOMEN IN & INTO voestalpine"

Numerous activities aimed at promoting women are already having an effect. For example, there has been an increase not just in the percentage of women in the Group on the whole but also in management positions. An incremental change in the corporate culture can also be attributed to these measures. The promotion of women was made part and parcel of the HR Strategy 2030 in order to flesh out the relevant action steps and further intensify them. A survey was conducted worldwide in voestalpine's divisions at the end of 2020 to ascertain what exactly was needed. The responses from more than 100 international Group companies showed that the following measures are key: specific personnel marketing, focused talent and personnel development, work-life balance as well as adjustment and/or adoption of internal guidelines.

Existent activities include companies' own kindergartens and/or childcare facilities; collaboration with external childcare facilities or childcare grants; flexible work and shift models; enhanced technical training programs for women; continuing professional development (CPD) for apprentices and assistants; mentorship programs; special health programs as well as equal treatment and anti-discrimination policies and guidelines. Additionally, voestalpine will also prioritize the following issues:

- » *Reduce factors within the corporate culture that pose obstacles to equality*
- » *Promote respectful relationships*
- » *Implement policy initiatives and campaigns specific to women as part of personnel marketing*
- » *Establish continuing professional development*

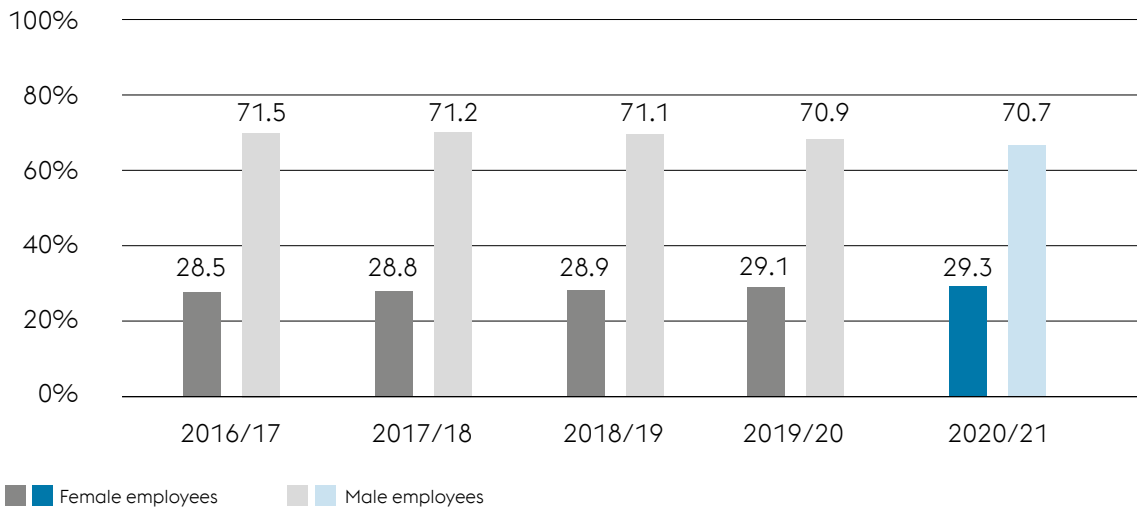
PERCENTAGE OF FEMALE EMPLOYEES

In each case as of the March 31 reporting date

	2016/17	2017/18	2018/19	2019/20	2020/21
Women overall	13.5%	13.8%	14.4%	14.7%	14.8%
Female executives	11.5%	12.3%	12.5%	12.5%	13.6%
Salaried employees	28.5%	28.8%	28.9%	29.1%	29.3%
Female wage employees	4.5%	4.9%	5.7%	5.8%	5.8%
Female apprentices (technical)	12.4%	13.5%	13.4%	15.6%	14.0%
Female apprentices (other)	50.8%	47.4%	52.7%	47.8%	50.3%

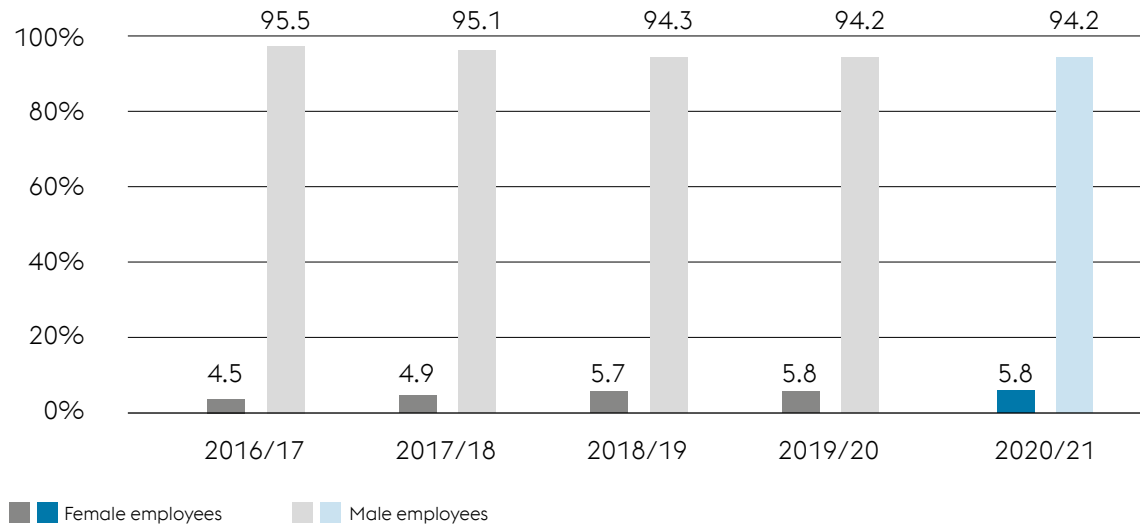
SALARIED EMPLOYEE STRUCTURE BY GENDER

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



14.2.3 AGE STRUCTURE OF EMPLOYEES

As of the annual reporting date (March 31, 2021), the average age of employees in the Group was 41.6 years. The following table shows

the average age by employment contract and gender.

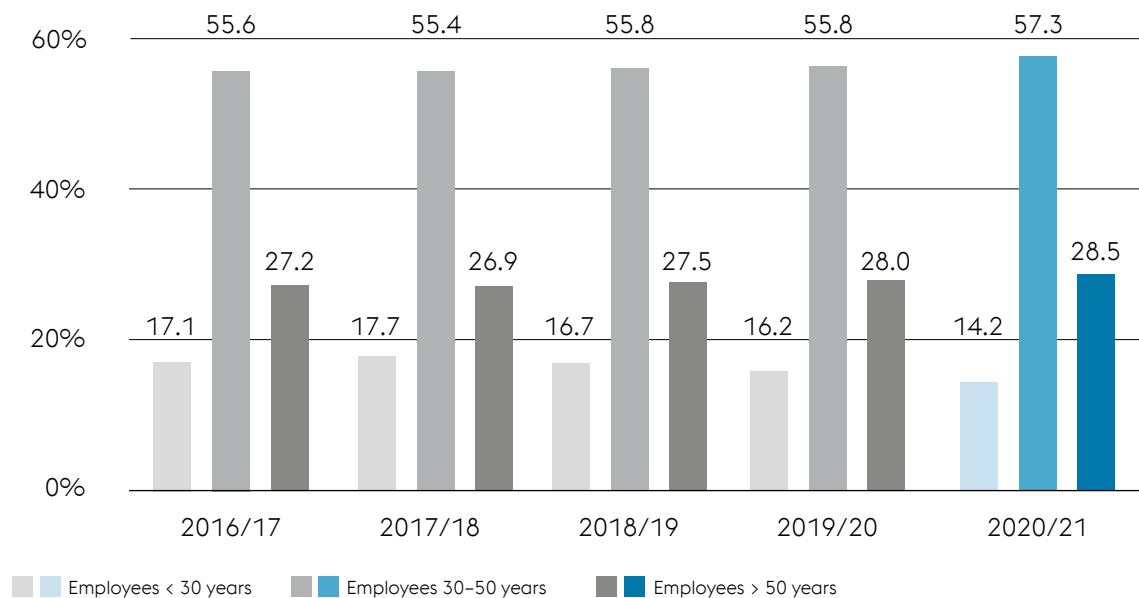
AVERAGE AGE OF EMPLOYEES

In each case as of the March 31 reporting date

	2016/17	2017/18	2018/19	2019/20	2020/21
Wage employees	40.5	40.4	40.4	40.8	40.9
Salaried employees	42.2	42.4	42.3	42.6	42.8
Women	39.5	39.7	39.9	40.1	40.6
Men	41.4	41.3	41.4	41.7	41.8

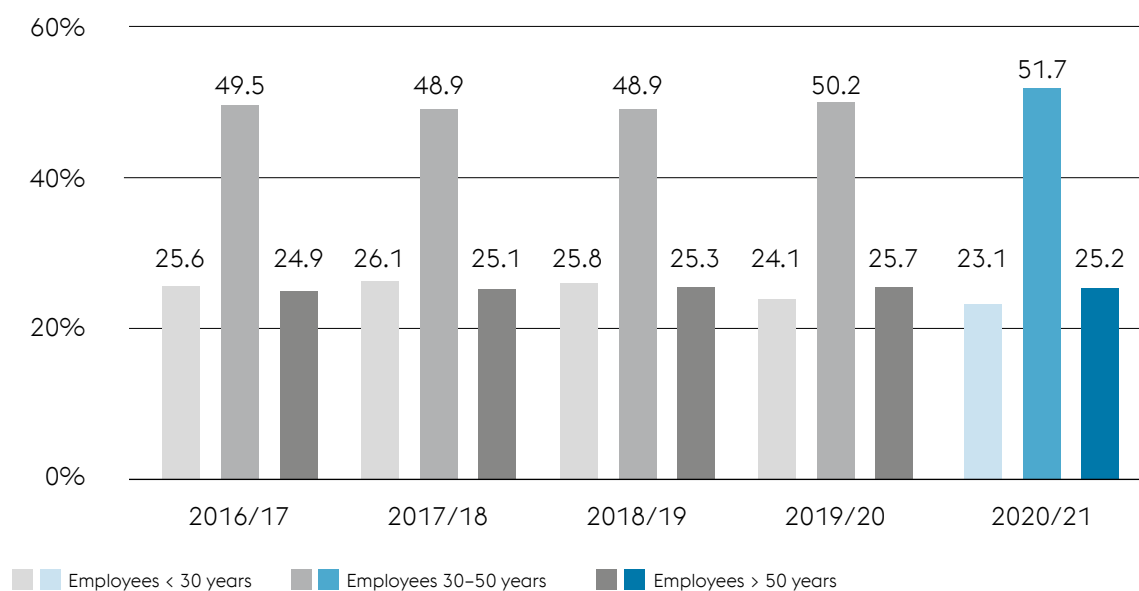
SALARIED EMPLOYEE STRUCTURE BY AGE GROUP

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



14.3 ATTRACTIVENESS AS AN EMPLOYER

14.3.1 EMPLOYEE SURVEY

voestalpine generally conducts Group-wide surveys to ascertain employee satisfaction. The most recent employee survey took place in the fall of 2019. The findings were communicated to the individual Group companies so that they could analyze them together with their workforce. The outcome of the two most important action steps that were stipulated for each company was reported at the end of September 2020 using a Group-wide reporting tool (total of 428 measures in 215 companies). Fully 88% of the measures concern continuous actions, most of which relate to the following areas: information and communication, engagement, cooperation between co-workers as well as CPD opportunities.

The initial plan provided for reducing the interval between employee surveys from three to two years. However, the economic situation and the uncertainty as to the trajectory of the COVID-19 pandemic have made it necessary to rethink the timeline for voestalpine's next employee survey. Given that this extensive project requires a lead time of almost one year for the Group-wide project team as well as the Group companies and ties up many resources, the decision was made to stick with a three-year cycle for the time being and to conduct the next survey in the Northern fall of 2022. Until then, the Group companies are free to carry out their own interim surveys (so-called "pulse surveys").

14.3.2 EMPLOYER BRANDING

Its positioning as an attractive employer is very important to voestalpine. The Group can drive innovation and compete successfully in the market only if it has committed and professionally competent employees. The regular employee survey serves as a barometer of employee satisfaction and results in the development of pertinent internal measures. Numerous external personnel marketing activities such as col-

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

14.3.3 ANNUAL EMPLOYEE PERFORMANCE REVIEW

The annual employee performance review has become a key HR development tool in many voestalpine companies. A structured, annual conversation between supervisor and employee outside of daily routines provides the basis for positive collaboration. Careful preparation, regularity, and documentation among other things distinguish these reviews from other kinds of meetings.

Annual employee performance reviews of salaried employees are mandatory throughout the Group. A recommendation has been made to introduce suitable instruments of this nature (e.g., team assessment dialogues) for wage employees also, but the binding standards do not provide relevant guidance. While corporate headquarters offers standardized questionnaires and manuals, adjustments specific to companies and countries may be made. In the business year 2020/21, a total of 27,528 annual employee performance reviews were conducted Group-wide.

14.3.4 PROTECTION OF EMPLOYEES DURING THE COVID-19 PANDEMIC

To protect the health and safety of its workforce, voestalpine put appropriate measures in place as soon as the first cases of COVID-19 became known in early 2020 and developed recommendations as to possible actions for its employees as well as for its suppliers and partners. All the measures meet current local and national regulations and are reassessed and adjusted on an ongoing basis. voestalpine is in constant, close contact with the authorities and works councils, and monitors the given situation in cooperation with them. COVID-19 (coronavirus) task forces were established at the level of both the divisions and the Group for this purpose. They were tasked with jointly developing and compiling all operational measures and then adopting them in close coordination with the Chairman of voestalpine AG's Management Board. A broad range of communication measures ensures that comprehensive information is continually provided to the Group's global workforce.

To protect employees, remote work was quickly instituted in March 2020 for all employees who can carry out their tasks from home. This rapid change was a major challenge, especially for the IT departments. Furthermore, in-person meetings and business travel were limited to the absolute minimum. Comprehensive hygiene measures were developed for employees tasked with maintaining critical infrastructure, and the given companies made personal protective equipment (PPE) and disinfection materials available to them. Organizational procedures were re-organized in order to maintain minimum distancing requirements during shift changes.

Thanks to the engagement and flexibility of all our employees, voestalpine quickly adapted to the new, challenging situation.

RECRUITING IN THE AGE OF COVID-19

The COVID-19 measures also posed a challenge for recruiting. Shifting to interviews conducted by phone and video, however, made it possible to maintain the quality of the Group's interview process and initial follow-up conversations. Personal meetings during

the final recruitment phase are held subject to the highest safety precautions, which involve not just mask wearing but also partition walls made of plexiglass sheets for protective purposes.

14.4 TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

Innovation and high quality are not conceivable absent continual employee training and continuing professional development (CPD). Hence training courses are an important prerequisite for voestalpine's success. In addition, they promote employees' career opportunities at the personal level as well as their ability to network across departments and locations.

The total expenditure for human resources development in the business year 2020/21 exceeded EUR 43 million. A total of 66.5% of all Group employees took part in training and CPD programs. The total training volume in the business year 2020/21 amounted to 507,855 hours, which equates to an average of 16.6 hours per trained employee.

DIGITALLY INTO THE NEW CPD YEAR

Going forward, the educational program for voestalpine's Austrian employees will be published & presented in digital formats. We have succeeded in creating a new format for seminars and courses in collaboration with the human resource developers of all divisions. In this connection, particular emphasis was placed on a needs-based selection of topics, regional emphases, and participants' wishes. Adapt-

ed content and new in-person courses as well as the growing number of online-only formats or mixtures of in-person and digital content enhance the variety of the company's educational program. Its new iteration offers opportunities for all target groups in the company and includes exciting topics and flexible methods.

14.4.1 EXECUTIVE TRAINING PROGRAMS

voestalpine relies on the so-called "value:program" it developed in-house to train current and future executives. The limitations resulting from the COVID-19 pandemic made it impossible to implement this multi-level leadership program in the business year 2020/21. The international aspect of the value:program along with the cross-divisional, personal network that it spawns is one of the program's cornerstones that could not be implemented due to travel restrictions.

Programs that had already started were completed in the course of the business year by carrying out individual modules digitally. However, there were never any plans to shift the program to an online-only format, for two reasons: What makes this program special (aside from the wide range of methods that leading international experts use to teach relevant skills) is the intensive participation by voestalpine's management (whether as presenters, project managers, or sparring partners, so to speak) in exchanges of experience. This mixture of external and internal know-how along with the shared, Group-wide interest in ensuring that employees possess advanced qualifications make the in-person training aspect of the value:program extremely successful and unique.

Irrespective of these considerations, however, in the future additional digital content will increasingly supplement and expand individual modules. By implementing this kind of blended learning, voestalpine is taking the next steps in the direction of digital delivery of executive training programs, albeit without sacrificing the quality that comes from facilitating personal contact during the training. The fact that the partici-

pants work jointly on internal projects is another aspect of the programs. It gives project mentors insight into the benefits of having international teams from the most divergent corporate units and cultures. This is yet another reason why the content redesign will focus more strongly on diversity and on integrating appropriate learning content into each and every module.

UNCONSCIOUS BIAS

So-called “unconscious bias” as it relates to the topic of diversity in executive training programs is important because it is a major barrier to greater diversity at the workplace. Every person is characterized by cognitive thought patterns that affect their judgment and cause them to engage in discriminating behavior—unintentionally and unconsciously. Starting with prejudices based on outward appearances such as a person’s looks, height, age, or gender, unconscious bias extends all the way to decisions made under peer pressure. Developing an awareness of one’s own

prejudices and learning to deal with them in appropriate ways is fundamental to both team dynamics and the company’s management culture. The participants in such training learn how unconscious bias develops and how it can affect a company’s performance. Not a single human being is free of automatic assumptions, but voestalpine wants to shape its systems in ways that help people to recognize such assumptions for what they are so that their decision making is more objective and fair.

14.4.2 PROFESSIONAL ACADEMIES

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

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

PURCHASING POWER ACADEMY

The Purchasing Power Academy has been working since 2014 to facilitate greater networking and professionalization among buyers. Purchasing strategies, purchasing processes, and communication, but also and increasingly sustainability in the supply chain, are some of the topics that are addressed. The multi-stage approach to training is implemented by voestalpine’s own dedicated employees and external trainers. In order to enable international buyers from

absolutely all voestalpine companies to participate in resource-efficient ways, the intensive in-person component is complemented by e-learning modules and apps, video conferences, training videos as well as self-study materials. So far, about 280 buyers have availed themselves of this continuing professional development opportunity. Every training stage ends with a final discussion.

14.5 APPRENTICES/TRAINEES

As of the annual reporting date (March 31, 2021), the voestalpine Group was training 1,309 apprentices in about 50 skilled trades, the majority (64.6%) at locations in Austria. A total of 22.6% of apprentices were being trained in Germany under the dual system applicable in that country. Because apprenticeships are based on defined needs, almost all of the apprentices who successfully complete their training are offered full-time positions. voestalpine clearly believes that it has the duty to invest in the training of young, skilled workers. In addition to excellent professional training, the focus also is on developing personal and social skills. The Group currently invests more than EUR 90,000 on training a single apprentice.

During the COVID-19 pandemic, new ways had to be found to meet with potential apprentices for the company's 410 trainee slots. Online formats such as a digital open house, digital presentations by the company at schools, or participation in digital trade shows took the place of in-person trade shows, open houses, and applicant interviews. The Group's HR departments are continually reviewing their options in their given regions in order to determine whether in-person meetings with applicants are possible.

DIGITAL GROUP APPRENTICE DAY

Even the annual voestalpine Group Apprentice Day had to take place in a completely new format due to the limitations arising from the COVID-19 pandemic. This event enables apprentices to network Group-wide and gives them insights beyond their own workplace. Apprentices thus met on October 6, 2020, for a hybrid event. The Management Board as well as select representatives of the Linz facility spoke live from Stahlwelt to approximately 400 apprentices and their trainers from Austria, Germany, and Switzerland who participated via interactive livestreams. voestalpine

facilities such as Zeltweg, Schwäbisch Gmünd, Wetzlar, Wallisellen, and the Linz Training Center along with group-IT were represented interactively by one trainer and apprentice each, both of whom provided insight into the individual facilities' activities and products. The members of the Management Board and the Group Works Council answered apprentices' questions in a Q&A session. Many participants concluded that "solidarity and courage are more important now than they have ever been."

14.6 THE STAHLSTIFTUNG

The Stahlstiftung (Steel Foundation) was founded in Linz, Austria, in 1987. Its aim was to provide employees of the VOEST-ALPINE Group (as it was called at the time), who had to leave the company due to a crisis, as well as employees of companies outside of the Group with opportunities for reorienting themselves professionally.

Up to four years of training and continuing professional development were funded for this purpose. In the business year 2020/21, about 76.3% of the participants looking for work were able to develop a new professional perspective with the help of the Stahlstiftung. The fact that this metric declined by 10.6 percentage points relative to the business year 2019/20 is yet another consequence of the COVID-19 pandemic.

As of the March 31, 2021, reporting date, a total of 546 individuals were receiving assistance from the Stahlstiftung, 73.1% of whom were former employees of the voestalpine Group. The total number of active Stahlstiftung participants in the business year 2020/21 was 888, i.e., 62.6% less than in the previous year (546 individuals).

In addition to the participants covered by the Stahlstiftung in its capacity as a classic employee fund, the activities of 68 individuals related to an educational leave were supported during the reporting period.

14.7 EMPLOYEE SHAREHOLDING SCHEME

voestalpine has had an employee shareholding scheme since 2001, which has been continually expanded since then. Besides the company's workforce in Austria, employees in Great Britain, Germany, the Netherlands, Poland, Belgium, the Czech Republic, Italy, Switzerland, Romania, Spain, and Sweden also have a share in "their" company. The voting rights associated with stock issued to employees are combined in the voestalpine Mitarbeiterbeteiligung Privatstiftung (employee foundation for the Group's employee shareholding scheme), making this entity a stable, key shareholder of voestalpine AG. As of March 31, 2021, a total of 24,100 employees have a stake in voestalpine AG. They

hold about 25.2 million shares which, due to the general bundling of voting rights, represent 14.1% of the company's share capital (previous year: 12.9%). In addition, former and active employees of voestalpine hold approximately 1.1 million "private shares" of voestalpine AG via the foundation, which equates to 0.6% of the voting shares. The foundation exercises the voting rights of these shares, too, as long as the given employees do not exercise their right to freely dispose of the shares. On the whole, therefore, as of March 31, 2021, the voting rights of 14.8% of the share capital of voestalpine AG are bundled in the foundation.

15. health & safety



Safety at the workplace and the health of its employees are core values of voestalpine and thus have 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. Safety standards that apply Group-wide are at the root of an effective health & safety culture.



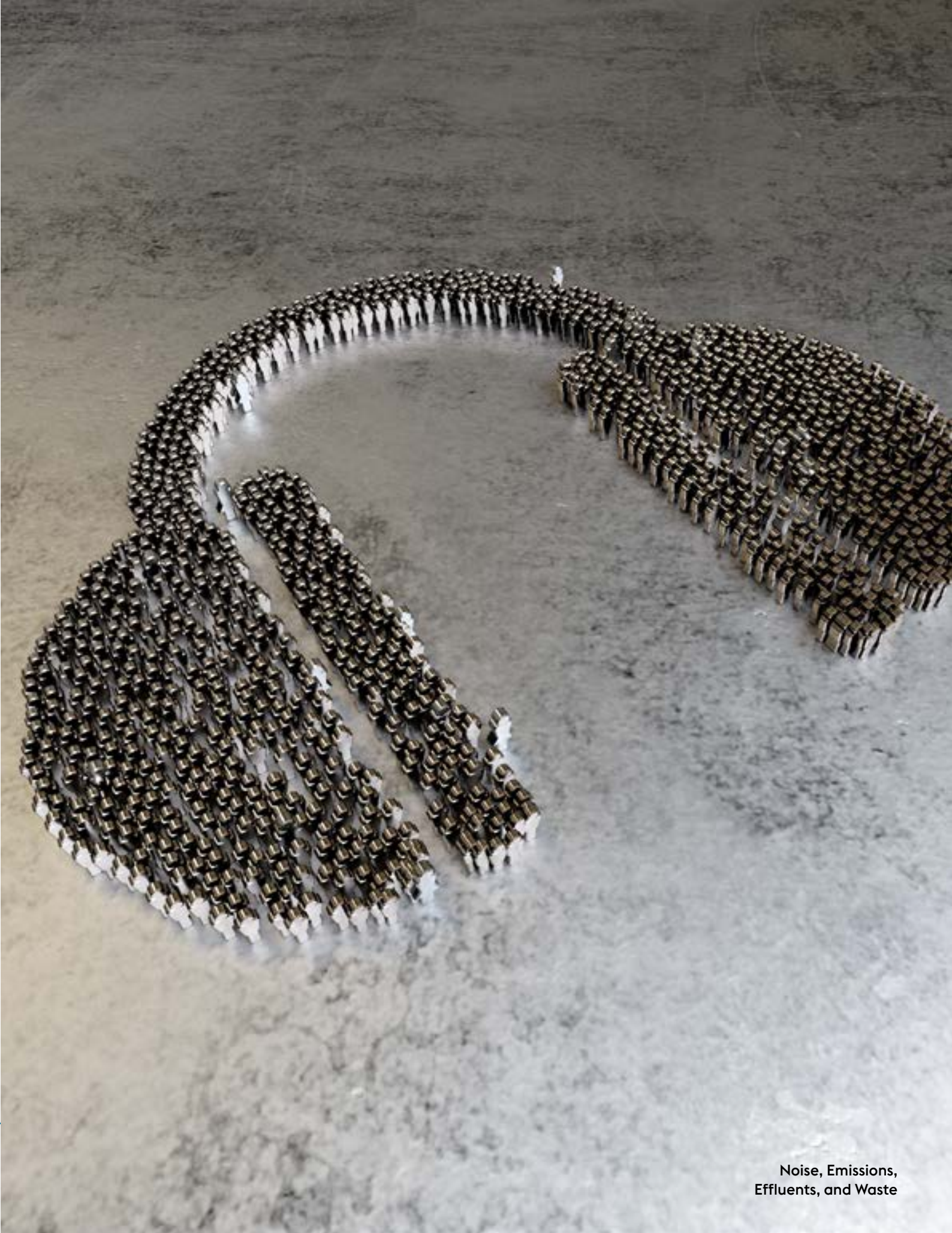
voestalpine's health & safety Values

Protecting its employees and their health is a central element of voestalpine's Sustainability Strategy. What matters, day in and day out, is to implement the Group's high standards at all facilities and refine them. We thus treat issues of health & safety with the same consistency and passion as we treat the quality of our products and processes. Because: Sustainable success is predicated on a healthy workforce in a safe environment.

Our health & safety values:

- >> Safety and health have the highest priority.
- >> Our executives stand for these core values, ensure consistent compliance with them, and assume leadership roles in doing so.
- >> Safe work practices (SWP) are a prerequisite for employment with voestalpine.
- >> Our employees' personal conduct at the workplace affects everybody's safety and health.
- >> Conscientious and responsible employees pay attention to themselves as well as to their co-workers.
- >> We also expect our contractors and partners to give priority to the safety and health of their employees.
- >> Healthy employees who have not been harmed are the foundation of a healthy and successful company.
- >> Every occupational accident is one too many and preventable.

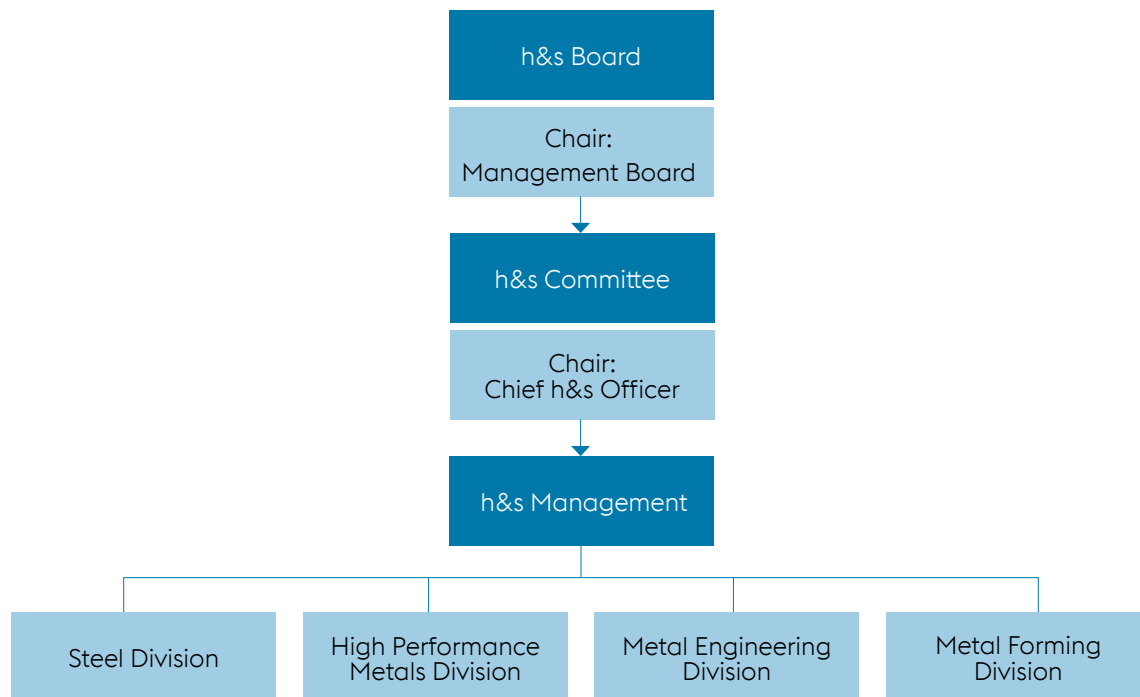
OUR VISION: Zero workplace accidents.



15.1 THE health & safety SYSTEM

The physical and psychic health of all employees and safety at the workplace are core values for voestalpine. This is underscored by the fact that the corporate health & safety (h&s) unit reports directly to one of the members of voestalpine AG's Management Board. It is run by the Chief health & safety Officer and fosters cooperation across the Group. This unit and a health & safety Committee, which is made up of employees of all four divisions as well as Works Council representatives, collaborate intensely on lowering the frequency of accidents. The accident frequency rate has already been reduced by approximately 50% Group-wide since the department was established five years ago.

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



The voestalpine Group has defined the following safety standards:

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

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

voestalpine's Management Board member responsible for workplace safety has been required to perform annual safety audits since the business year 2018/19. The managing directors responsible for workplace safety at the production companies, in turn, must carry out quarterly safety audits. The lost time injury frequency rate (LTIFR) and the health status are the two key safety indicators that the companies compile uniformly throughout the Group.

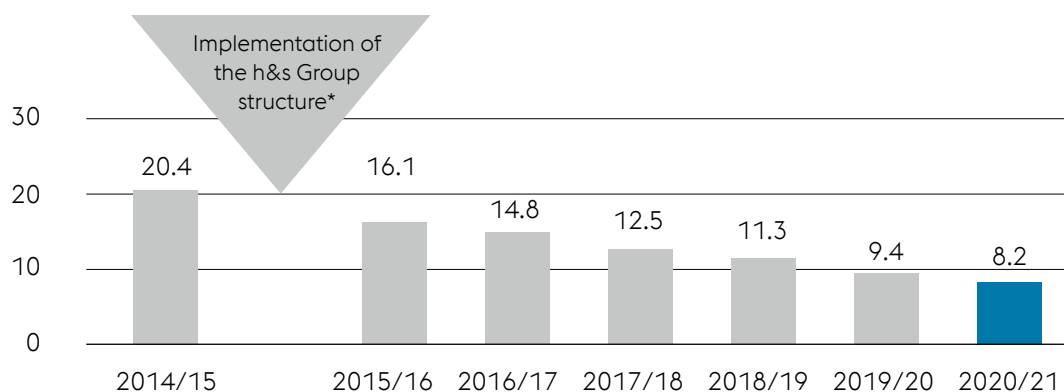
15.2 LOST TIME INJURY FREQUENCY RATE

The LTIFR shows the number of reportable workplace accidents entailing more than three sick days per one million hours of work performed. The Group established uniform definitions of reportable workplace accidents, sick days, and working hours in the business year 2015/16 because there are stark differences in the given rules and regulations that apply in individual countries.

Thanks to consistent h&s measures in the divisions, the number of workplace accidents has fallen continuously in recent years. There were 626 reportable workplace accidents and one fatal accident among employees of the voestalpine Group during the business year 2020/21.

DEVELOPMENT OF THE LOST TIME INJURY FREQUENCY RATE (LTIFR)

As of the March 31 reporting date



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

The accident reports are recorded in a central database system for the purpose of carrying out event analyses and filing the information with the authorities. Appropriate improvement measures are adopted and communicated based on the findings of the event analyses.

The number of near misses is recorded in accordance with voestalpine's safety standards using a Group-wide h&s Web-based tool. If compliance at a facility with the required processes is insufficient, it must report planned improvement measures along with the completion date in this Web-based tool.

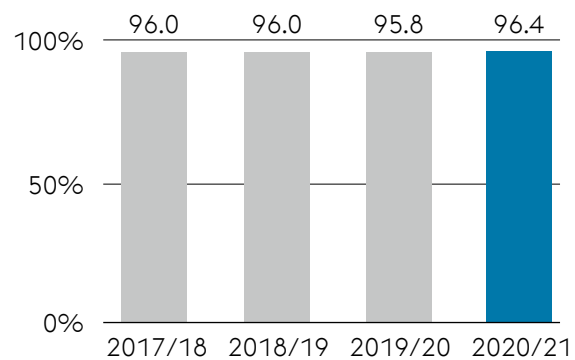
15.3 HEALTH STATUS

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

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

DEVELOPMENT OF THE HEALTH STATUS

As of the March 31 reporting date



15.4 OCCUPATIONAL health & safety AND HEALTH PROMOTION

voestalpine's larger facilities (for example, Linz and Donawitz in Austria) have dedicated occupational health & safety centers that offer not only acute medical care but also preventive care, physical therapy, vaccination campaigns, and physical instruction. Employees can use this medical support structure to avail themselves of voestalpine's employee health programs that surpass the statutory occupational health programs. At smaller facilities, occupational medical services are provided by select external partners.

There is no Group-wide guidance for such voluntary measures to promote employee health; instead, they are planned and carried out by the individual companies themselves. A survey of 168 voestalpine Group companies has shown that such measures focus on movement and ergonomics, medical tests and exams, mental health, vaccinations, and healthy nutrition.

15.5 health & safety MANAGEMENT SYSTEMS

Absolutely all of voestalpine's production companies have a health & safety management system, and 50% are certified pursuant to ISO 45001 (previously OHSAS 18001). This means that some 30,500 employees (72%) working in production are employed at a facility that has a certified occupational safety system.

Some 80% of the safety experts and/or health & safety officers are employees of voestalpine; at smaller facilities, external experts are hired to provide these services. voestalpine implements absolutely all laws pertaining to the protection of employees in all countries in which it works. In addition, compliance with the h&s Group guide-

line that the Management Board of voestalpine AG adopted in April 2021 is mandatory.

This guideline regulates the following issues:

- >> Our health & safety values
- >> Group-wide safety standards
- >> Reality checks
- >> Safety for new employees
- >> Implementation responsibility

All relevant companies are certified under ISO 45001 up to the business year 2024/25.

15.6 health & safety TRAINING

voestalpine Group companies regularly hold safety meetings with all of their employees. There is a monthly meeting between the master craftsman and their staff. The safety experts and health & safety officers at the production plants explain occupational safety rules and regulations during the monthly "15-minute safety training modules." These regular meetings, which are also attended by the Works Council, serve to discuss and adopt action steps aimed at improving workplace safety. The frequency of the meetings is contingent on the size of the given company and the participation of people from various levels of the hierarchy. In addition, physical safety inspections are conducted once every quarter by management and once a year by the Management Board.

health & safety training was rolled out Group-wide in the business year 2020/21. It is available in 14 languages and must be completed particularly by new employees.

The company's h&s values and the safety standards are imparted in this online training, which supplements the in-person training. These training sessions vividly demonstrate to employees how voestalpine's safety culture is developed and lived. The online module can be accessed from any PC via a learning portal. Additional training is carried out for managers as well as for master craftsman as part of their qualification program.

FOCUS ON HEALTH

voestalpine's Steel Division has been organizing so-called "Focus on Health" events since 2017. Owing to the COVID-19 pandemic, however, fewer lectures were offered in the business year 2020/21 than in previous years. Overall, 403 people participated in 23 events regarding issues such as stress management, mindfulness, mental health, and muscle relaxation.

15.7 WORKPLACE SAFETY AT CONTRACTORS/THIRD-PARTY ENTITIES

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.

Compliance with voestalpine's safety standards and participation in safety training events are mandatory. In Austria, a badge that attests to completion of the safety training must be worn visibly.

The training that is conducted as part of the Safety Training Environment (SATRE) is prescribed in the company's General Terms and Conditions; compliance with implementation of the training is reviewed in connection with supplier assessments.

Temporary employees are treated the same as regular employees and thus are also trained and instructed with respect to occupational safety.

MEASURES TO PROTECT OUR EMPLOYEES AGAINST COVID-19

voestalpine's management took rapid action at the onset of the COVID-19 pandemic to protect its employees from becoming infected. A task force was put in place as early as in February 2020. It is made up of the CEO, the senior managers of voestalpine AG, the HR managers of the divisions, and representatives of the occupational medical services. The task force acts in a timely manner to coordinate all measures required for protecting our employees' health & safety in different regions.

It has been meeting once a week since the start of the pandemic.

A COVID-19 prevention package was made available to all Group companies. Current information on all COVID-19 measures (along with links to the relevant governmental information) are communicated Group-wide via email, newsletters, board notices, and articles in the intranet.



16. SOCIETY

voestalpine has been putting its social responsibility into practice for decades—at both the Group level and in the orbit of its Group companies. Concrete projects in the arts, culture, and sports as well as in the social arena are selected at different facilities and sponsored through donations in money and in kind.

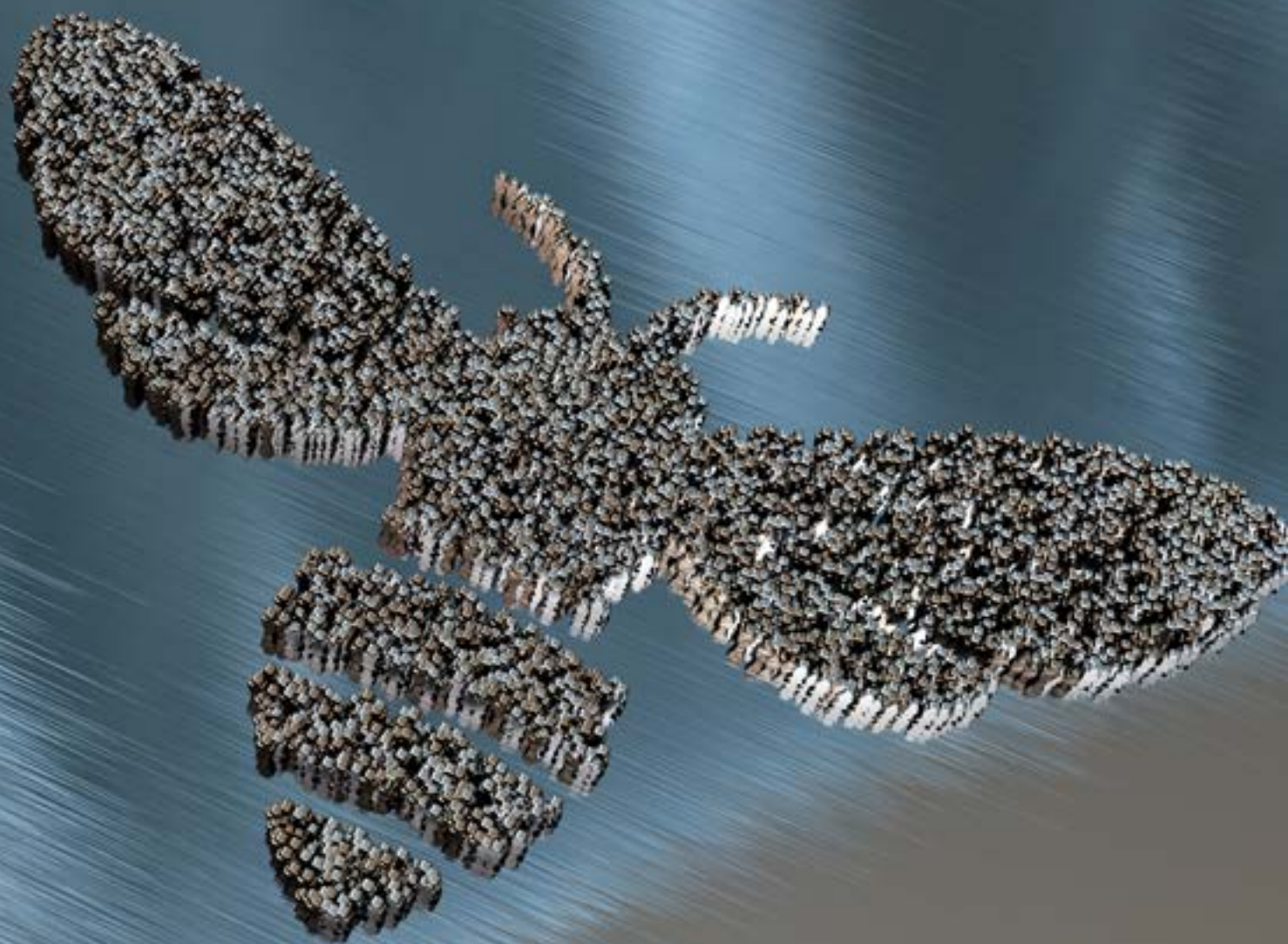
While many of these projects and events were canceled or postponed due to the fallout from the global COVID-19 pandemic, voestalpine's Group companies continued to support long-term activities.

As soon as the limitations arising from the COVID-19 crisis have been overcome, voestalpine will once again resume its activities at the regional level and continue to strengthen its activities at the social level.

CODE OF CONDUCT FOR voestalpine's LOBBYISTS (LOBBYING CODE OF CONDUCT)

voestalpine adopted a Lobbying Code of Conduct for the first time in the business year 2020/21. In order to provide a clear and transparent framework for the company's lobbying activities, it regulates dealings with stakeholders in Austria as well as in Europe and internationally in accordance with the Austrian Lobbying and Advocacy Transparency Act.

Just as the general Code of Conduct, the Lobbying Code of Conduct, too, 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.



THE MANAGEMENT BOARD

voestalpine AG

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

Linz, September 06, 2021

voestalpine
ONE STEP AHEAD.

17. APPENDIX

17.1 GRI CONTENT INDEX

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
102: GENERAL DISCLOSURES (2016)					
Organizational Profile					
GRI 102: General Disclosures (2016)	102-1: Name of the organization	●		p. 8	
	102-2: Activities, brands, products, and services	●		pp. 16-17	
	102-3: Location of headquarters	●		p. 12	
	102-4: Location of operations	●		AR pp. 6-7, 212-224	
	102-5: Ownership and legal form	●		pp. 8, 15	
	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. 85-87	6
	102-9: Supply chain	●		pp. 42-47	
	102-10: Significant changes to the organization and its supply chain	●		AR pp. 112-116 The ownership and structure of voestalpine are largely unchanged. Changes in the scope of consolidation are described in the AR.	
	102-11: Precautionary Principle or approach	●		pp. 48-55, 60-61, 66-68	
	102-12: External initiatives	●		voestalpine is a supporter of the UN Global Compact and the CDP as well as a signatory of the worldsteel Sustainable Development Charter and the Diversity Charter.	
	102-13: Membership of associations and interest groups	●		pp. 124-126	
Strategy					
GRI 102: General Disclosures (2016)	102-14: Statement from senior decision maker	●		pp. 6-7	

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
Ethics and Integrity					
GRI 102: General Disclosures (2016)	102-16: Values, principles, standards, and norms of behavior	●		pp. 27-32, 50-52	10
Governance					
GRI 102: General Disclosures (2016)	102-18: Governance structure	●		pp. 21, 111; AR pp. 10-13	
Stakeholder Engagement					
GRI 102: General Disclosures (2016)	102-40: List of stakeholder groups	●		p. 18	
	102-41: Collective bargaining agreements	●		p. 59	3
	102-42: Identifying and selecting stakeholders	●		p. 18	
	102-43: Approach to stakeholder engagement	●		pp. 19-21 While voestalpine is in constant contact with the stakeholders, they have not been integrated into the report preparation process over and above such contact.	
	102-44: Key topics and concerns raised	●		pp. 19-22	
Reporting Practice					
GRI 102: General Disclosures (2016)	102-45: Entities included in the consolidated financial statements	●		p. 9; AR pp. 212-224	
	102-46: Defining report content and topic Boundaries	●		pp. 9, 21-22	
	102-47: List of material topics	●		p. 22	
	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 point for questions about the report	●		p. 11	
	102-54: Statement on the report in accordance with the GRI Standards	●		p. 8	

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
	102-55: GRI Content Index	●		pp. 112-118	
	102-56: External audit	●		pp. 128-130	

GRI 200: ECONOMY

Economic Performance

GRI 201: Economic Performance (2016)	103: Management approach disclosures	●		pp. 27, 38; AR p. 82	7
	201-1: Direct economic value generated and distributed	●		AR pp. 32-59, 88-89	
	201-2: Financial implications and other risks and opportunities due to climate change	●		pp. 36-41, 69	7
	201-3: Defined benefit plan obligations and other retirement plans	●		AR pp. 159-166	

Procurement Practices

GRI 204: Procurement Practices (2016)	103: Management approach disclosures	●		pp. 42-47	
	204-1: Proportion of spending on local suppliers	●	2	p. 46 Data cannot be reported in full due to non-disclosure agreements.	

Anti-Corruption

GRI 205: Anti-Corruption (2016)	103: Management approach disclosures	●		pp. 48-55	10
	205-2: Communication and training about anti-corruption policies and procedures	●	4	pp. 53-54 Owing to internal processes, a complete quantitative evaluation will be performed during the next business year.	10

Anti-Competitive Behavior

GRI 206: Anti-Competitive Behavior (2016)	103: Management approach disclosures	●		pp. 48-55	
	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●		AR pp. 167-168	

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
GRI 300: ENVIRONMENT					
Materials					
GRI 301: Materials (2016)	103: Management approach disclosures	●		pp. 66-69, 79	8
	301-2: Recycled input materials used	●		p. 79	8
Energy					
GRI 302: Energy (2016)	103: Management approach disclosures	●		pp. 66-69, 81	7, 8
	302-1: Energy consumption within the organization	●		pp. 81-82 No consumption of energy for heating and cooling, nor any consumption of steam energy. No sale of energy. Renewable energy is included in the "Other" category.	7, 8
	302-3: Energy intensity	●		p. 82	8
Water and Effluents					
GRI 303: Water and Effluents (2018)	103: Management approach disclosures	●		pp. 66-69, 78	7, 8
	303-1: Interactions with water as a shared resource	●		p. 78	7, 8
	303-2: Management of water discharge-related impacts	●	4	p. 78 Currently this indicator is not reported in full due to the data situation. The data situation will be analyzed over the next few years.	7, 8
	303-3: Water withdrawal	●	4	p. 78 Currently this indicator is not reported in full due to the data situation. The data situation will be analyzed over the next few years.	7, 8
	303-5: Water consumption	●	4	p. 78 Currently this indicator is not reported in full due to the data situation. The data situation will be analyzed over the next few years.	7, 8
Emissions					
GRI 305: Emissions (2016)	103: Management approach disclosures	●		pp. 36-41, 66-69, 72	7, 8, 9

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
	305-1: Direct GHG emissions (Scope 1)	●		p. 73 There are no biogenic emissions. Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8
	305-2: Energy indirect GHG emissions (Scope 2)	●		p. 73 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8
	305-3: Other indirect GHG emissions (Scope 3)	●		p. 73 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	7, 8
	305-5: Reduction of GHG emissions	●		pp. 70-71 Information that exceeds the disclosures required by law can be accessed at this link: https://www.cdp.net/en	8, 9
	305-7: Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	●	4	pp. 72, 74-77 Measured data are published in the CR Report. In the next business year, the Group-wide collection of data will be expanded by hardly-degradable organic hazardous substances and hazardous air pollutants.	7, 8
Waste					
GRI 306: Effluents and Waste (2016)	103: Management approach disclosures	●		pp. 66-69, 79-80	8
	306-2: Waste by type and disposal method	●		pp. 79-80	8
Supplier Environmental Assessment					
GRI 308: Supplier Environmental Assessment (2016)	103: Management approach disclosures	●		pp. 42-47	
	308-1: New suppliers that were screened using environmental criteria	●		All new and existing raw materials suppliers for steel production were screened using environmental criteria.	8

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
GRI 400: SOCIAL DISCLOSURES					
Employment					
GRI 401: Employment (2016)	103: Management approach disclosures	●		pp. 84, 94-95; https://www.voestalpine.com/group/en/jobs/working-at-voestalpine/	6
	401-1: New employee hires and employee turnover	●	1	p. 88 Collection of detailed data is not relevant to the company for controlling purposes. Hence the data are not reported in full pursuant to GRI.	6
Occupational Health and Safety					
GRI 403: Occupational Health and Safety (2018)	103: Management approach disclosures	●		pp. 100-103, 105	
	403-1: Occupational safety and health management system	●		p. 105	
	403-2: Hazard identification, risk assessment, and incident investigation	●		p. 102-103	
	403-3: Occupational health services	●		p. 104	
	403-4: Worker participation, consultation, and communication on occupational health and safety	●		p. 102, 105	
	403-5: Worker training on occupational health and safety	●		p. 105	
	403-6: Promotion of worker health	●		pp. 104-105	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●		p. 106	
	403-8: Workers covered by an occupational health and safety management system	●		pp. 9, 105-106	
	403-9: Work-related injuries	●	1	pp. 9, 103-104 Detailed collection of the data is not relevant to the company for controlling purposes. Hence the data are not reported in full pursuant to GRI.	
Training and Continuing Education					
GRI 404: Training and Continuing Education (2016)	103: Management approach disclosures	●		pp. 84, 96-98	6
	404-1: Average hours of training per year per employee	●	4	p. 96 No detailed, Group-wide database is available.	6

GRI Standard	Description	Reported	Reasons for Omission	Reference / Explanation	UNGC
	404-2: Programs for upgrading employee skills and transition assistance programs	●		pp. 96-99	6
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity (2016)	103: Management approach disclosures	●		pp. 84, 89-90	6
	405-1: Diversity of governance bodies and employees	●		pp. 90-93; AR pp. 10-13	6
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining (2016)	103: Management approach disclosures	●		p. 59 Code of Conduct for Business Partners; https://www.voestalpine.com/group/static/sites/group/.downloads/de/konzern/compliance/Code-of-Conduct-EN.pdf	3
	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	4	p. 57 No detailed, Group-wide database is available due to the scale of the global supplier network.	3
Supplier Social Assessment					
GRI 414: Supplier Social Assessment (2016)	103: Management approach disclosures	●		pp. 42-47	2
	414-1: New suppliers that were screened using social criteria	●		All new and existing raw materials suppliers for steel production were screened based on social criteria.	2
Public Policy					
GRI 415: Public Policy (2016)	103: Management approach disclosures	●		pp. 48-55	10
	415-1: Political contributions	●		In the reporting period, voestalpine did not make any donations or other contributions to politicians and political parties.	10

LEGEND

- Fully reported
- Partly reported

Reasons for omission:

- 1 - Not applicable
- 2 - Limited due to non-disclosure agreements
- 3 - Explicit legal prohibitions
- 4 - No information available
- AR - Annual Report 2020/21

UNGC

As a participant of the UN Global Compact, voestalpine is obligated to publish an annual progress report. The column labeled "UNGC" indicates those of the ten principles in regards to which the disclosures provide specific information.



17.2 RESPONSIBLESTEEL



voestalpine commits itself to the 12 Principles of ResponsibleSteel, an advocacy organization. At some point in the business year 2021/22, the Group's largest plant (which is located in Linz, Austria) will apply for certification pursu-

ant to the ResponsibleSteel Standard, which was developed with the active participation of voestalpine's experts together with many other stakeholders.

Principle 1: Corporate Leadership

ResponsibleSteel certified sites are led responsibly.

Principle 2: Social, Environmental, and Governance Management Systems

ResponsibleSteel certified sites have an effective management system in place to achieve the social, environmental, and governance objectives to which they are committed.

Principle 3: Occupational Health and Safety

ResponsibleSteel certified sites protect the health and safety of workers.

Principle 4: Labor Rights

ResponsibleSteel certified sites respect the rights of workers and support worker well-being.

Principle 5: Human Rights

ResponsibleSteel certified sites respect human rights wherever they operate, irrespective of their size or structure.

Principle 6: Stakeholder Engagement and Communication

ResponsibleSteel certified sites engage effectively with stakeholders, report openly on issues of importance to stakeholders, and remediate adverse impacts they have caused or contributed to.

Principle 7: Local Communities

ResponsibleSteel certified sites respect the rights and interests of local communities, avoid and minimize adverse impacts, and support community well-being.

Principle 8: Climate Change and Greenhouse Gas Emissions

The corporate owners of ResponsibleSteel certified sites are committed to the global goals of the Paris Agreement, and both certified sites and their corporate owners are taking the actions needed to demonstrate this commitment.

Principle 9: Noise, Emissions, Effluents, and Waste

ResponsibleSteel certified sites prevent and reduce emissions and effluents that have adverse effects on communities or the environment, manage waste according to the waste management hierarchy, and take account of the full life cycle impacts of waste management options.

Principle 10: Water Stewardship

ResponsibleSteel certified sites demonstrate good water stewardship.

Principle 11: Biodiversity

ResponsibleSteel certified sites protect and conserve biodiversity.

Principle 12: Decommissioning and closure

ResponsibleSteel certified sites minimize the adverse social, economic, and environmental impacts of full or partial site decommissioning and closure.

For further information, see <https://www.responsiblesteel.org/>.

17.3 UN GLOBAL COMPACT— THE 10 PRINCIPLES

Since 2013, voestalpine has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption.

HUMAN RIGHTS

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

LABOR STANDARDS

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

ENVIRONMENTAL PROTECTION

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

ANTI-CORRUPTION

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



17.4 SUSTAINABLE DEVELOPMENT GOALS



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

The SDGs were put into effect as of January 1, 2016, and are designed to cover a period of 15 years (up to 2030). Particular emphasis was placed on the private sector's role in reaching these goals.

In its daily business activities voestalpine contributes significantly to achieving the following 12 SDGs:

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

17.5 MEMBERSHIPS

voestalpine AG and its Group companies belong to numerous federations, associations, or 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).

Allgemeine Unfallversicherungsanstalt (General Accident Insurer, AUVA)	Austria
Altstoff Recycling Austria Verein (ARA)	Austria
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
Austria's Energy	Austria
Austrian Business Council for Sustainable Development (respACT)	Austria
Austrian Business School GmbH (LIMAK)	Austria
Austrian Research Promotion Agency (FFG)	Austria
Austrian Standards Institute (ASI)	Austria
B.C. Human Resources Management Association	Canada
Beijing HR Association	China
Bergmännischer Verband Österreichs (Austrian Miners Association)	Austria
Berufliches Bildungs- und Rehabilitationszentrum (Vocational Training and Rehabilitation Center, BBRZ)	Austria
Betriebsforschungsinstitut (nonprofit research institute, BFI)	Austria
British Standards Institution (BSI)	Great Britain
Bundesverband der PhysiotherapeutInnen Österreichs (Federal Association of Austria's Physiotherapists, Physio Austria)	Austria
CD-Labor für Alterung, Gesundheit und Arbeitsmarkt an der JKU (Ageing, Health, and Labor Market Lab at Johannes Kepler University (JKU))	Austria

Certified Human Resources Professional	Canada
Christian Doppler Forschungsgesellschaft (a research institute, CDG)	Austria
Competence Centers for Excellent Technologies (COMET) & K1-MET (a metallurgical competence center)	Austria
Compliance Institute of Southern Africa (CISA)	South Africa
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
EMAS	Austria
European Green Vehicles Initiative Association (EGVIA)	Belgium
European Steel Technology Platform (ESTEP)	Belgium
European Wind Energy Association (EWEA), renamed WindEurope	Belgium
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	China
Informelle Plattform österreichischer Arbeitsstiftungen (Informal Platform of Austrian Labor Funds)	Austria
Institute of Safety Management (ISSM)	USA
International High Speed Steel Research Forum (HSS Forum)	Germany
Kepler Society JKU	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
Nederland CO ₂ Neutraal	Netherlands

Österreichische Gesellschaft für Arbeitsmedizin (Austrian Society for Occupational Safety and Health, ÖGA)	Austria
Österreichische Vereinigung für Qualitätssicherung (ÖVQ)	Austria
Österreichischer Arbeitskreis für Corporate Governance (Austrian Working Group for Corporate Governance)	Austria
Photovoltaic Austria Federal Association (PV Austria)	Austria
Rail Forum Europe (RFE)	Belgium
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
Sustainable Process Industry through Resource and Energy Efficiency (SPIRE)	Belgium
Technology and Society Forum of the TU Graz	Austria
The Austrian Society for Metallurgy and Materials (ASMET)	Austria
The Employers Association of Indonesia	Indonesia
The European Steel Association (EUROFER)	Belgium
The Women Secretaries & Administrative Professionals Association of Thailand (WSAT)	Thailand
United Nations Global Compact (UNGC)	USA
Verband Österreichische Sicherheits-Ingenieure (Association of Austrian Safety Engineers, VÖSI)	Austria
Verein Deutscher Eisenhüttenleute	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
WIFI OÖ GmbH, Forum Arbeit & Personal (Forum on Work & Personnel)	Austria
WingNet TU Vienna	Austria
World Steel Association (worldsteel)	Belgium

17.6 GLOSSARY

CMRT	Conflict Minerals Reporting Template
CO ₂ e	CO ₂ equivalents, unit of measurement for standardizing the climate impact of various greenhouse gases (CO ₂ , methane, and nitrous oxide)
Corporate Governance: L rules C rules R rules	<p>Rule categories pursuant to the Austrian Corporate Governance Code</p> <p>L rule (legal requirement): The rule is based on mandatory statutory provisions.</p> <p>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.</p> <p>R rule (recommendation): Rule worded as a recommendation; non-compliance need not be disclosed or explained.</p> <p>(Source: Austrian Corporate Governance Code as amended July 2012, Austrian Working Group for Corporate Governance, www.corporate-governance.at)</p>
EAF	Electric Arc Furnace
EBIT	Earnings Before Interest and Taxes; (earnings before taxes, equity interests of non-controlling shareholders, and financial result)
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization (earnings before taxes, equity interests of non-controlling shareholders, financial result, depreciation, and amortization)
Iron ore fines	Fine material with a grain size of between 0 mm to 6 mm; it is generated in connection with the extraction and processing of iron ore and is sieved. In most cases, it is processed into larger pellets (usually between 8 mm and 18 mm).
EMAS	Eco Management and Audit Scheme; Regulation of the European Parliament and of the Council on the voluntary participation of organizations in a Community eco-management and audit scheme
Employee turnover, total	Total employee turnover / personnel (excluding apprentices) by head count (total turnover: employment contracts terminated by the employer; employment contracts terminated by the employee; mutually agreed contract terminations; retirement due to occupational disability; retirement and death)
FTEs (full-time equivalents)	Total number of executives employed with ongoing responsibility for human resources, including master craftsmen
Executives	Number of full-time positions, mathematically speaking, computed on the basis of the working hours of both full-time and part-time employees
Headcount	Number of employees by headcount
Load per annum	Amount of particular substances that are introduced into effluents or the air, aggregated over the year
Life Cycle Assessment (LCA)	Systematic analysis of products' environmental impact during their life cycle aimed at an objective assessment subject to consideration of economic, social, and technical factors
Scope 1, 2, and 3	Emission categories pursuant to the Greenhouse Gas Protocol
USMCA	United States - Mexico - Canada Agreement; successor agreement to the NAFTA free trade zone

17.7 INDEPENDENT ASSURANCE REPORT

Deloitte.

To the management board of
voestalpine AG
Linz

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

Introduction

We performed procedures to obtain limited assurance, if the consolidated non-financial report as of March 31st, 2021 was prepared in accordance with the reporting criteria. The reporting criteria include the Sustainability Reporting Standards (GRI Standards: Core Option) issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in § 267a UGB (Austrian Commercial Code).

Responsibility of the management

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

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

Deloitte.

Responsibility of the auditor

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

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

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

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

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

Deloitte.

Summarized Conclusion

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

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

Engagement approach

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

Vienna

September 6th, 2021

Deloitte Audit Wirtschaftsprüfungs GmbH

Christof Wolf
Austrian Certified Public Accountant

Marieluise Krimmel
Austrian Certified Public Accountant

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

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voestalpine
ONE STEP AHEAD.