

THE MANAGEMENT BOARD

voestalpine AG

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

Linz, September 07, 2020

voestalpine
ONE STEP AHEAD.



CHINESE

16. APPENDIX

16.1 GRI CONTENT INDEX

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

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

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

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

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

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

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

LEGEND

- Fully reported
- Partly reported

Annual Report 2019/20

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

Reasons for omission:

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

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UN GLOBAL COMPACT— THE 10 PRINCIPLES

HUMAN RIGHTS

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

LABOR STANDARDS

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

ENVIRONMENTAL PROTECTION

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

ANIT-CORRUPTION

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

WE SUPPORT



SUSTAINABLE DEVELOPMENT GOALS



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

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

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

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

16.2 MEMBERSHIPS

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

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

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

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

16.3 GLOSSARY

CMRT	Conflict Minerals Reporting Template
CO ₂ e	CO ₂ equivalents: unit of measurement for standardizing the climate impact of various greenhouse gases (CO ₂ , methane, and nitrous oxide)
Conflict-free	Conflict-free raw materials as defined in the Dodd-Frank Act
Conflict minerals	Raw materials mined or extracted in conflict or high-risk regions
Corporate Governance: L rules C rules R rules	<p>Rule categories pursuant to the Austrian Corporate Governance Code:</p> <p>Legal requirement (L rule): The rule is based on mandatory statutory provisions.</p> <p>Comply or explain (C rule): The rule should be complied with; any deviation therefrom must be explained and justified in order to be in compliance with the Code.</p> <p>Recommendation (R rule): 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>
Dodd-Frank-Act	U.S. federal law. Requires companies to avoid using raw materials from conflict regions
EBIT	Earnings before interest and taxes (Earnings before taxes, equity interests of non-controlling shareholders, and financial result)
EBITDA	Earnings before interest and taxes, depreciation, and amortization (Earnings before taxes, equity interests of non-controlling shareholders, financial result, and amortization)
EMAS	Eco Management and Audit Scheme Regulation of the European Parliament and of the Council on the voluntary participation of organizations in a Community eco-management and audit scheme
FTEs (full-time equivalents)	Number of full-time positions, computed (mathematically speaking) on the basis of a staffing mix that includes part-time employees
Headcount	Number of employees by headcount
Load per annum	The amount of certain substances that are introduced into wastewater or the air, aggregated over the year
Life cycle assessment (LCA)	Systematic analysis of the environmental impact of products during their entire life cycle aimed at achieving an objective assessment subject to consideration of economic, social, and technical factors
Scope 1, 2, and 3	Emissions categories in accordance with the Greenhouse Gas Protocol
USMCA	United States-Mexico-Canada Agreement, successor agreement to the NAFTA free trade zone

16.4 INDEPENDENT ASSURANCE REPORT

Deloitte.

To the management board of
voestalpine AG
Linz

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

Introduction

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

Responsibility of the management

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

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

Deloitte.

Responsibility of the auditor

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

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

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

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

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

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

Vienna, September 7th, 2020

Deloitte Audit Wirtschaftsprüfungs GmbH

Christof Wolf
Austrian Certified Public Accountant

Marieluise Krimmel
Austrian Certified Public Accountant

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