

THE MANAGEMENT BOARD

voestalpine AG

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

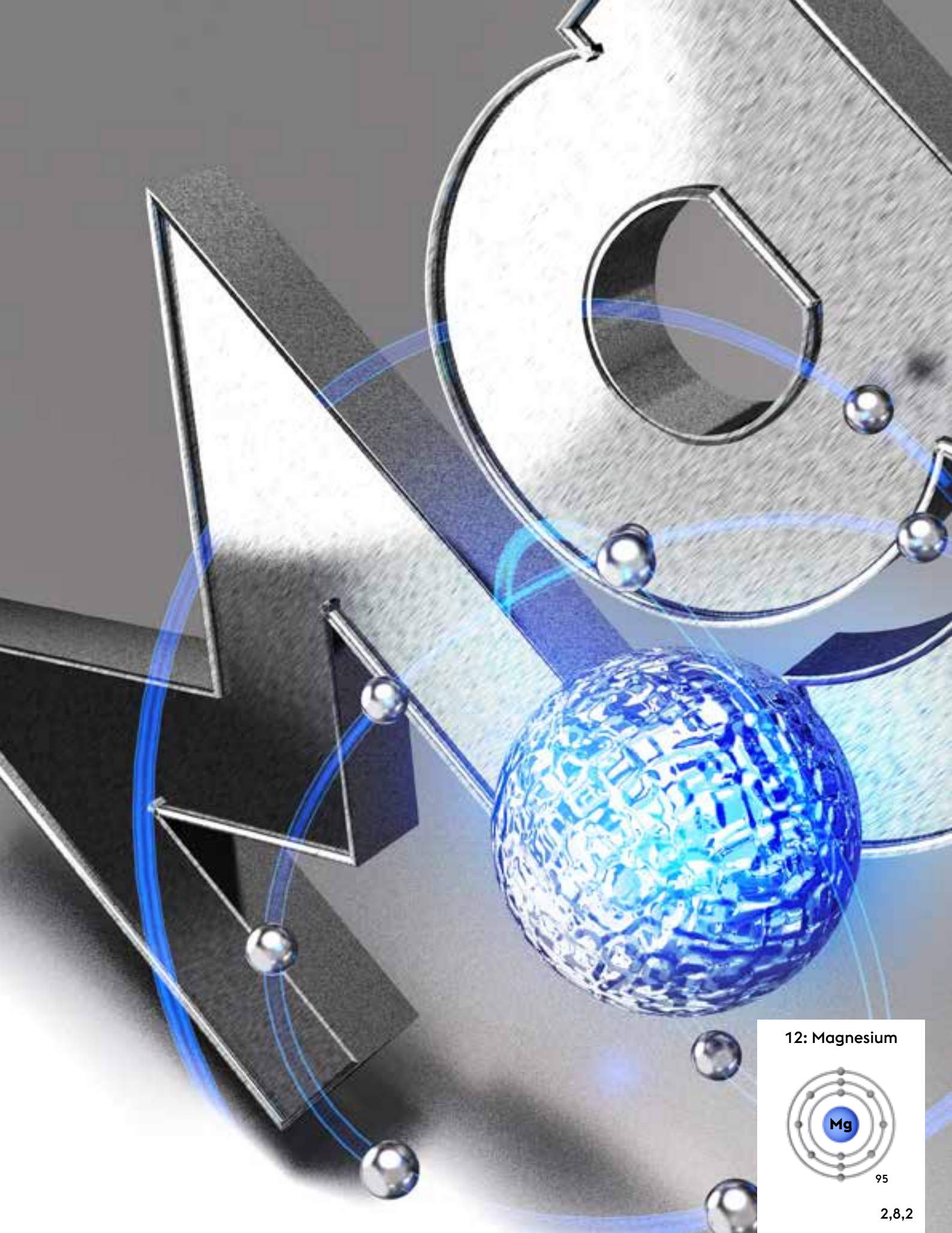
Franz Rotter

Peter Schwab

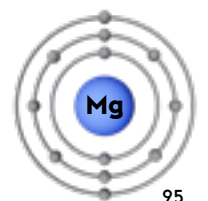
Hubert Zajicek

Linz, September 09, 2019

voestalpine
ONE STEP AHEAD.



12: Magnesium



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2,8,2

15. APPENDIX

15.1 GRI CONTENT INDEX

GRI Code	Description	Reported	Reference / Explanation	UNGC
102	GENERAL DISCLOSURES			
	Organizational Profile			
102-1	Name of the organization	●	p. 8	
102-2	Activities, brands, products, and services	●	pp. 16-18	
102-3	Location of headquarters	●	p. 16	
102-4	Location of operations	●	AR pp. 6-7, 220-232	
102-5	Ownership and legal form	●	pp. 15-16	
102-6	Markets served	●	pp. 14-15	
102-7	Scale of the organization	●	p. 14; AR pp. 2, 8-9	
102-8	Information on employees and other workers	●	pp. 74-76	6
102-9	Supply chain	●	p. 37	
102-10	Significant changes to the organization and its supply chain	●	AR pp. 120-123 Ownership and structure of voestalpine are largely unchanged. Changes in the scope of consolidation are depicted in the AR.	
102-11	Precautionary Principle or approach	●	pp. 55-56; AR pp. 58-63	
102-12	External initiatives	●	voestalpine is a participant of the UN Global Compact and a signatory of the worldsteel Sustainable Development Charter and Diversity Charter.	
102-13	Membership of associations	●	pp. 103-106	
	Strategy			
102-14	Statement from senior decision-maker	●	pp. 6-7	

GRI Code	Description	Reported	Reference / Explanation	UNGC
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	●	pp. 36-37, 42, 44-45, 52, 58, 72, 88	10
Governance				
102-18	Governance structure	●	pp. 23, 94; AR pp. 10-15	
Stakeholder Engagement				
102-40	List of stakeholder groups	●	p. 20	
102-41	Collective bargaining agreements	●	p. 51	3
102-42	Identifying and selecting stakeholders	●	p. 20	
102-43	Approach to stakeholder engagement	●	pp. 20, 21-22	
102-44	Key topics and concerns raised	●	pp. 21-24	
Reporting Practice				
102-45	Entities included in the consolidated financial statements	●	p. 9; AR pp. 220-232	
102-46	Defining report content and topic Boundaries	●	pp. 9, 23-24	
102-47	List of material topics	●	p. 24	
102-48	Restatements of information	●	p. 9	
102-49	Changes in reporting	●	There was no significant change in the list of material topics.	
102-50	Reporting period	●	p. 10	
102-51	Date of most recent report	●	p. 10	
102-52	Reporting cycle	●	p. 10	
102-53	Contact person for questions regarding the report	●	p. 110	
102-54	Claims of reporting in accordance with the GRI Standards	●	p. 8	
102-55	GRI content index	●	pp. 96-101	
102-56	External assurance	●	pp. 108-109	

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

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

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

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

LEGEND
 ● Fully reported
 ● Partially reported

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

UN GLOBAL COMPACT— THE 10 PRINCIPLES

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and bonded labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENTAL PROTECTION

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

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

WE SUPPORT



15.2 MEMBERSHIPS

voestalpine AG and its Group companies are members of numerous associations, organizations, and special interest groups and participate in working groups or work on projects through their employees. The following provides a selection of the memberships that are relevant with respect to corporate responsibility (CR).

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

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

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

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

15.3 GLOSSARY

CO ₂ e	CO ₂ equivalent, unit of measurement for standardizing the climate impact of various greenhouse gases
Conflict-free	Conflict-free raw materials as defined in the Dodd-Frank Act
Conflict minerals	Raw materials mined or extracted in conflict or high-risk regions
Corporate Governance: L rules C rules R rules	Rule categories pursuant to the Austrian Corporate Governance Code: L rule (legal requirement): The rule is based on mandatory statutory provisions. C rule (comply or explain): The rule should be complied with. Any deviation therefrom must be explained and justified in order to be in compliance with the Code. R rule (recommendation): The rule worded as a recommendation; noncompliance need not be disclosed or explained. (Source: Austrian Corporate Governance Code as amended July 2012, Austrian Working Group for Corporate Governance, www.corporategovernance.at)
Dodd-Frank Act	US federal law: requires companies to avoid using raw materials from conflict regions
EBIT	Earnings Before Interest and Taxes Earnings before taxes, equity interests of non-controlling shareholders, and financial result
EBITDA	Earnings Before Interest and Taxes, Depreciation, and Amortization Earnings before taxes, equity interests of non-controlling shareholders, financial result, depreciation, and amortization
EMAS	Eco-Management and Audit Scheme Regulation of the European Parliament and of the Council of Europe on the voluntary participation of organizations in a Community eco-management and audit scheme
FTE	Full time Equivalents: number of full time positions, mathematically speaking, computed on the basis of the working hours of both full time employees and parttime employees
HBI (hot briquetted iron) / DRI (direct reduced iron) technologie	Direct reduction of iron ore by means of reduction gas. The resulting product is solid sponge iron (DRI) or sponge iron pellets (HBI).
Head count	Actual number of individual employees
Life cycle assessment (LCA)	Systematic analysis of the environmental impact of products during their entire life cycle aimed at achieving an objective assessment subject to consideration of economic, social, and technical factors
Load per annum	The amount of certain substances that are introduced into wastewater or the air, aggregated over the year
Scope 1, 2, and 3	Emission categories pursuant to the Greenhouse Gas Protocol

15.4 INDEPENDENT ASSURANCE REPORT



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

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

voestalpine AG,
(„the Company“).

Management's Responsibility

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

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

Auditors' Responsibility

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

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

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

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

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



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

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

Conclusion

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

Vienna, 9 September 2019

Grant Thornton Unitreu GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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