

# 4. STAKEHOLDER AND CR MANAGEMENT

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



## **Management of communities bordering the new special steel plant**

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

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

## 4.1 STAKEHOLDER COMMUNICATION

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

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

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

### 4.1.1 EMPLOYEES

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

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

### 4.1.2 CUSTOMERS AND SUPPLIERS

voestalpine maintains very open and close relationships with all of its business partners. Many of them are of long standing and form the basis of trustful and transparent cooperation. In turn, this enables the development of new processes and products that meet the requirements of all parties involved and ensure the responsible use of resources.

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

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

voestalpine's Code of Conduct is binding on all of the company's suppliers and business partners and forms part of the terms and conditions. Technical visits and viewings of the production facilities also take place on a regular basis. For more information on this issue, please see the chapter "Transparency in the Supply Chain."

### 4.1.3 ANALYSTS AND INVESTORS

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

among the key topics discussed with analysts and investors. Specifically, this concerns ways to represent the Group's CO<sub>2</sub> emissions and options for reducing them in the future—also taking into account the resulting negative impact on costs. At regular intervals, voestalpine holds so-called "Capital Markets Days," i.e., special investor events at which trends and developments related to a high-priority issue in the Group are presented.

### 4.1.4 RESEARCH INSTITUTIONS AND UNIVERSITIES

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

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

### 4.1.5 NGOS, ADVOCACY AND SPECIAL INTEREST GROUPS, AND PLATFORMS

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

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

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

## 4.2 CORPORATE RESPONSIBILITY MANAGEMENT

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

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

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

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

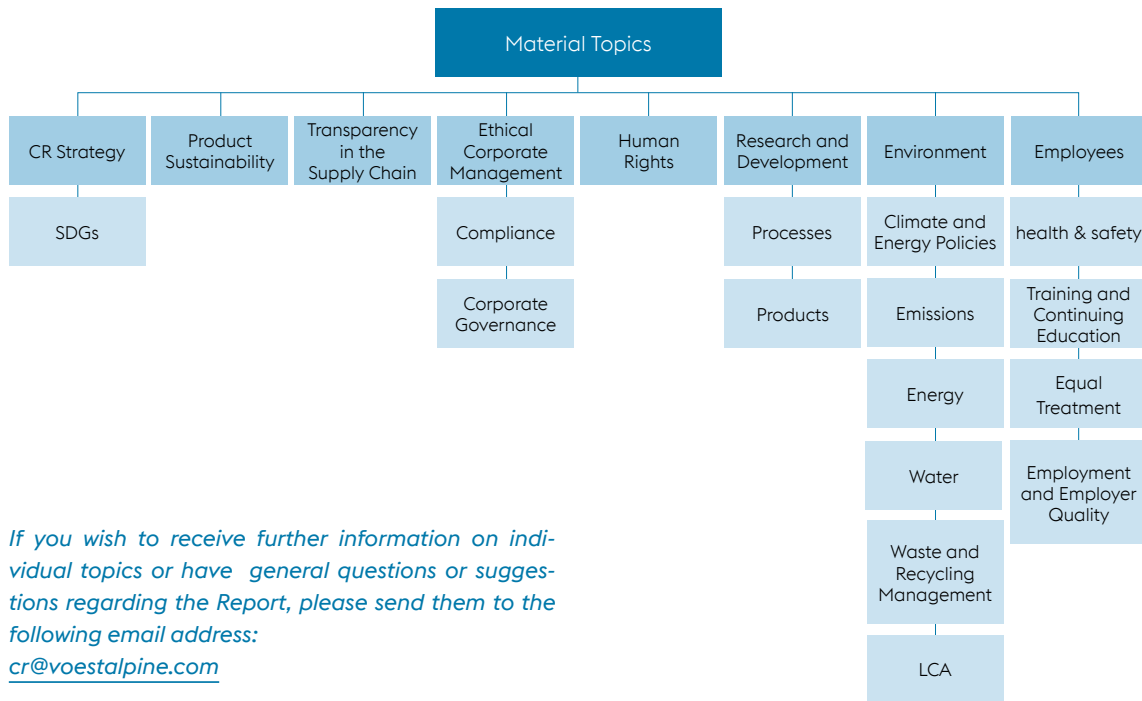
These intensive, bilateral exchanges between the CR Manager and the department managers—within the divisions and at the level of the holding company—serve to debate both current and particularly important issues of sustainability.

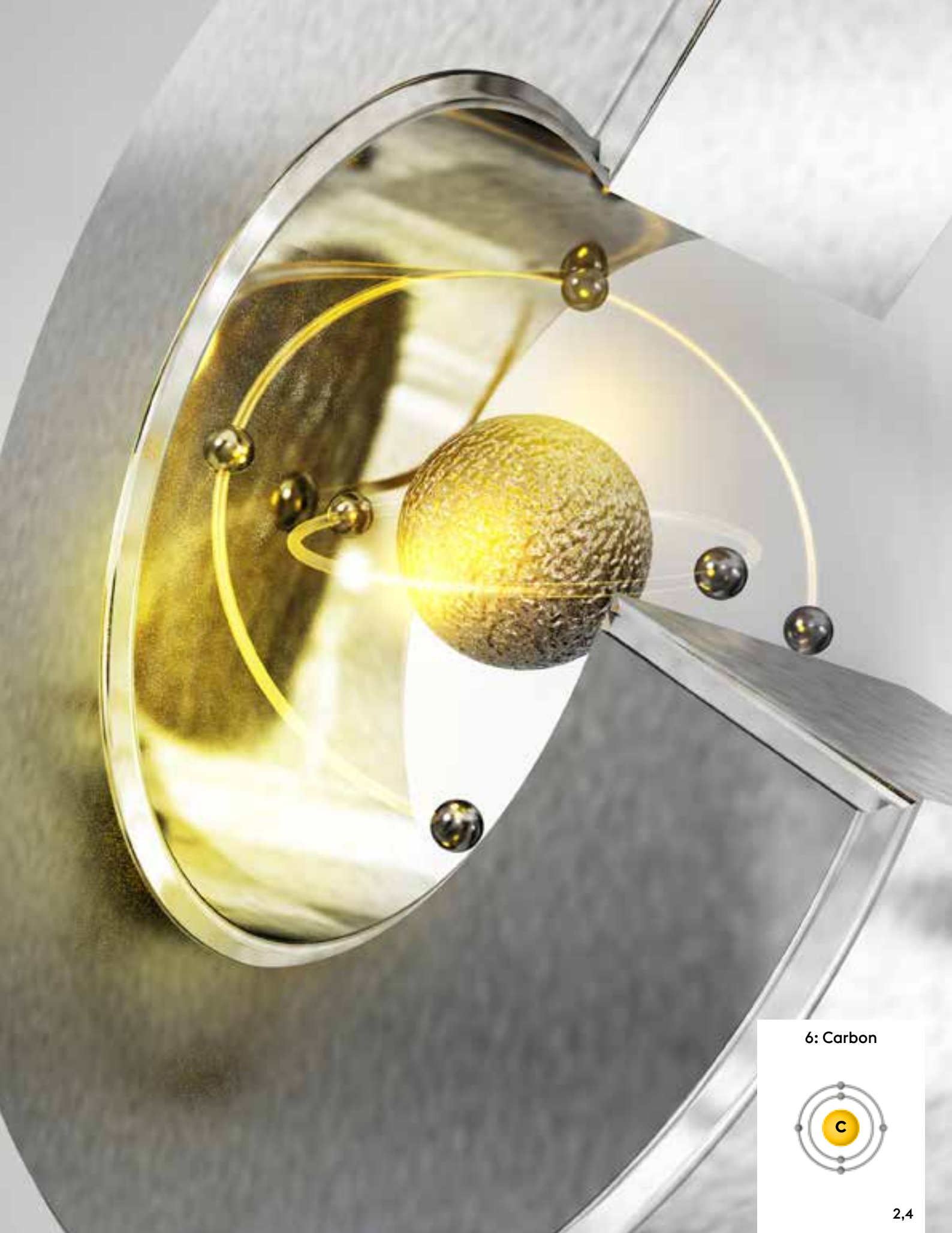
## 4.3 MATERIAL TOPICS

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

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

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





6: Carbon

