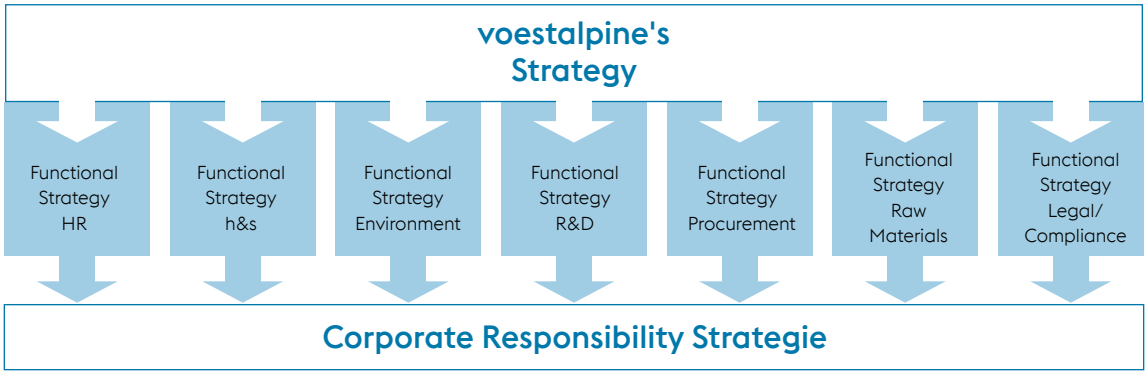
5. THE CORPORATE RESPONSIBILITY STRATEGY

The concept of sustainability is one of the basic principles that guide all decisions and actions at voestalpine. The fundamentals of this approach are set forth in voestalpine's Corporate Responsibility Strategy (CR Strategy). It is an integral part of the Group's corporate strategy and follows directly from voestalpine's functional strategies.
In addition to the functional strategies, a number of key internal and external factors had to be considered in the CR Strategy, for example, employee and customer concerns, environmental issues, products and innovations as well as the demands of maintaining a transparent supply chain.



The Sustainable Development Goals (SDGs) were considered in the development of the CR Strategy presented in the following sections.

The appropriate symbols at the end of each section indicate to which of the 17 SDGs voestalpine makes a contribution via the CR Strategy's individual fields of action.

5.1 HUMAN RESOURCES

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 refined along these lines.

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 Education

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.

5.2 health & safety

Human safety and health are key fundamental values at voestalpine and have the highest priority.

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

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

5.3 THE ENVIRONMENT

Emissions in the Air, Soil, and Water: Minimize Using the Best Available Technologies

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.

Circular Economy & Life Cycle Assessment (LCA)

We support holistic, comprehensive, and integrated analyses and assessments of materials (life cycle assessments, 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 not only through comprehensive research and development of new technologies, which is frequently undertaken 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.

5.4 RESEARCH AND DEVELOPMENT

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. 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.

5.5 GENERAL PROCUREMENT

When selecting its suppliers, voestalpine ensures that they comply with environmental and social principles. Sustainable supplier management has been integrated into our procurement processes to maintain long-term partnerships.

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

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

5.6 RAW MATERIALS PROCUREMENT

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

We face the challenge of permanently optimizing our supply chains jointly with our suppliers. Regular visits to the sources of raw materials and pre-materials, especially mines and deposits, are a fixed element of this process. Together, we develop methods for designing a supply chain that is efficient and meets our corporate responsibility guidelines (CR Guidelines). New suppliers are assessed in terms of Corporate Responsibility, quality, and performance; 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.

We require all suppliers from whom we source materials and who are subject to the Dodd-Frank Act to act in accordance with the latter's provisions. Reports based on the Conflict Minerals Reporting Template (CMRT) ensure that all materials procured on behalf of the Group are "conflict free."

Raw materials procurement management is tasked primarily with securing the long-term, competitive supply of both raw materials and energy. High degrees of integration into upstream and downstream processes, scenario planning, and adaptive supply concepts serve to minimize potential risks.

5.7 ETHICAL CORPORATE MANAGEMENT – LEGAL & COMPLIANCE

Ethical Corporate Management

In order to ensure that responsible 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 we support the UN Global Compact (UNGC).

In the course of the business year 2020/21, the strategy departments of the holding company and the Group's divisions as well as the directors of relevant departments will refine the Group's CR Strategy in close coordination with the Management Board of voestalpine AG and rename it "Sustainability Strategy."

SPANISH