

9. ETHICAL CORPORATE MANAGEMENT

For one, ethical corporate management means accountable corporate governance of the Group that is geared to creating sustainable shareholder value in the long term; for another, it means aligning the conduct of all Group employees with statutory requirements and internal guidelines as well as moral and ethical values (Compliance).

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 Management Board and Supervisory Board undertook as early as in 2003 to comply with the Austrian Code of Corporate Governance (ACCG).

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).





April, 28
World Day
for Safety and Health at Work

9.1 COMPLIANCE

The company requires its companies and all of its employees to comply with all applicable 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 treat-

ment of customers, suppliers, other business partners, and employees are expressly spelled out in the voestalpine Code of Conduct.

Likewise, voestalpine also requires its suppliers 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 following numerous conversations and discussions within the voestalpine Group at the level of management boards, managing directors, and division heads. 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 and expanded 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. It has been published in German and 20 other languages and may be downloaded here: <https://www.voestalpine.com/group/en/group/compliance/>

The voestalpine 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, and acceptance of gifts
- >> Donations and sponsorships
- >> Trade wars and conflict minerals
- >> Money laundering
- >> Conflicts of interest
- >> Data protection
- >> Protection of information and intellectual property
- >> Secrecy of confidential information
- >> Intellectual property
- >> Protection of corporate property and IT usage
- >> Workplace protections
- >> Environmental 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 equity 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 the voestalpine Code of Conduct. Moreover, violations may also have consequences under criminal and 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 voestalpine's 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 as well. Absolutely 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 when 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. They also firmly establish 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 matters of corruption, bribery, and acceptance of gifts. It defines the procedure that must be followed prior to the engagement of sales representatives, agents, and other marketing consultants. An objective analysis of business partners' environment and scope of activities before establishing business relationships with them aims to ensure that the business partners, too, 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, and other industry organizations; and defines concrete rules of conduct for absolutely all 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 & Prevention Program

These rules and regulations clarify voestalpine's Compliance strategy and Compliance structure. They also provide information on steps taken to prevent and identify Compliance violations as well as on the potential reactions and sanctions such violations may trigger. Finally, these rules and regulations contain information on the Web-based whistleblower system that makes it possible to report Compliance violations anonymously, too.

Code of Conduct for voestalpine's Business Partners

This set of rules and regulations is directed toward suppliers of goods and services as well as toward brokers, consultants, and other business partners. It defines the principles of and requirements for doing business with voestalpine.

Among other things, the company 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 and modern slavery 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 (*Lobbying- und Interessenvertretungs-Transparenz-Gesetz*) and provides a clear and transparent framework for the company's lobbying activities. Just as the general voestalpine Code of Conduct, the Lobbying Code of Conduct, too, is binding on all management board members, managing directors, and non-executive employees of all entities in which voestalpine AG has a direct or indirect equity interest of at least 50% or which it controls in some other way. Care must be taken to ensure in cases where voestalpine's lobbying activities are supported by third parties that the latter commit to compliance with the Lobbying Code of Conduct.

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 fulfill this responsibility and to set up the processes required to that end.

Aside from a Group Compliance Officer, a Divisional Compliance Officer was 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 but is independent and not bound by instructions. The Divisional Compliance Officers report to both the Group Compliance Officer and the respective division heads on the Management Board.

voestalpine AG				
Group Compliance Officer				
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—are not part of the Compliance officers' sphere of responsibility. Other organizational units are tasked with managing these Compliance issues.

9.1.3 PREVENTIVE MEASURES

As part of its Compliance activities, voestalpine places special importance on preventive measures including, in particular, training and continuing professional development (CPD), discussions at the management level, 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.

The voestalpine Group introduced e-learning courses on the subject of Compliance back in 2009. This e-learning curriculum has been repeatedly revised and expanded over time. Finally, the existent training 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.

KEY E-LEARNING TOPIC: “COMPLIANCE BASICS”

What is Compliance?	Compliance at voestalpine	Day-to-day 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 persons, and whistleblowing	What is corruption?	Legal basics and consequences	Favors and payments	Final test
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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 2021/22, the COVID-19 pandemic and the ensuing governmental restrictions and/or internal protection and security measures reduced the extent to which such training could be carried out; it was replaced in part by training via video conferencing.

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 2021/22, the young executive training program and hence the face-to-face Compliance training units that it contains were suspended in part on account of the COVID-19 pandemic.

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

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 voestalpine 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; the Internal Audit and Risk Management department 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. Up to the business year 2021/22, however, reports using this system could be made only on matters involving antitrust law, corruption, fraud, and conflicts of interest; in other words, only reports on these issues were processed through this system. Starting with the business year 2022/23, reports regarding other matters such as environmental action or data protection may be filed using this Web-based whistleblower system also. The system makes it possible for the appropriate Compliance Officers to communicate with whistleblowers while maintaining the latter's 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 Code of Corporate Governance (ACCG), and they have also implemented all of the amendments thereto that were introduced in the meantime.

In addition to the ACCG's binding legal requirements ("L rules"), voestalpine AG voluntarily complies with absolutely all of its "C rules" (comply or explain) as well as its "R rules" (recommendations). The ACCG 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 ACCG was most recently revised in January 2021. It achieves validity when companies voluntarily undertake to comply with it. It aims to establish an accountable corporate governance system for companies and corporate groups that is geared to creating sustainable value in the long term. By voluntarily undertaking to abide by the ACCG, 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.

9.3 EU TAXONOMY

9.3.1 GENERAL INFORMATION ON THE TAXONOMY

Since January 1, 2022, listed companies in the EU must classify their economic activities in accordance with the EU Taxonomy Regulation and publish the results thereof in their consolidated non-financial statements or in their consolidated non-financial report (pursuant to the requirements of Section 267a Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*)). In this connection, all economic activities are to be categorized as to their environmental sustainability.

The reporting under the EU Taxonomy Regulation follows a two-step process. It involves determining whether a particular economic activity is “taxonomy eligible” (i.e., whether it is basically covered by the Taxonomy Regulation) and also whether it is “taxonomy compliant” (i.e., whether it complies with the Taxonomy). An entity’s economic activities are considered “taxonomy non-eligible” if the Taxonomy Regulation does not cover them.

This Regulation identifies six environmental goals. In order to be classified as taxonomy compliant, economic activities must make a substantial contribution to one of these goals, at minimum. Furthermore, the given activities may not substantially undermine achievement of the other environmental goals (i.e., “Do No Significant Harm” – DNSH).

- a. Climate action
- b. Climate change adaptation
- c. Sustainable use and protection of water and marine resources
- d. Shift to the circular economy
- e. Pollution prevention and control
- f. Protection and restoration of biodiversity and ecosystems

Solely two environmental goals—“climate action” and “climate change adaptation”—must be included in the considerations as to whether the company’s relevant activities are taxonomy eligible and thus reportable for the business year 2021/22.

The following key performance indicators (KPIs) must be shown for the reporting period:

- >> Share of revenue associated with economic activities covered by the EU Taxonomy Regulation.
- >> Share of capital expenditure (CapEx) associated with economic activities covered by the EU Taxonomy Regulation.
- >> Share of operating expenses (OpEx) associated with economic activities covered by the EU Taxonomy Regulation.

9.3.2 voestalpine's APPROACH

voestalpine established a project team at the time the EU Taxonomy Regulation and its associated obligations for companies were published. This team comprises employees from the following departments: Finance, Investor Relations, Environment and Corporate Responsibility as well as experts from each division.

External experts were also consulted in order to enable the most comprehensive assessment possible of the subject matter.

An analysis at the Group level was performed to determine taxonomy eligibility. In a first step, this involved carrying out a classification based on the codes under the Nomenclature of Economic Activities (NACE) assigned to the company. Accordingly, the project team analyzed every

Group company in turn to verify and/or modify the respective classification. The team also reviewed in this connection whether a single economic activity could be attributed to a given entity or whether it had to be classified as engaging in several economic activities. The selected classification procedure thus ensured that economic activities were not counted twice. The following economic activities were identified as material to the voestalpine Group:

- >> Manufacture of iron and steel
- >> Freight rail transport
- >> Infrastructure for rail transport

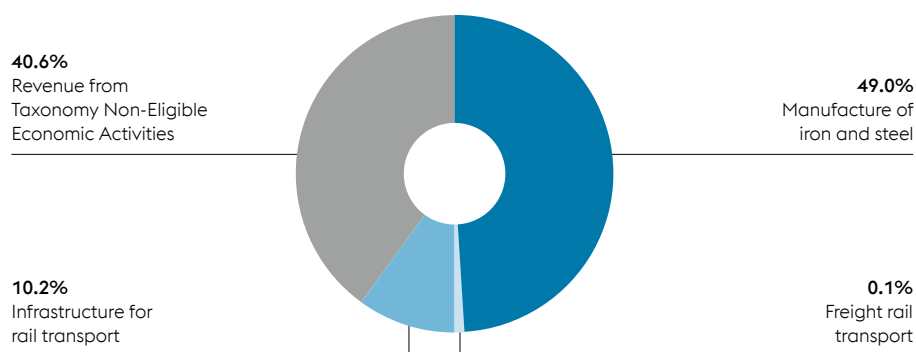
9.3.3 RESULTS OF THE KPIs

Taxonomy-Eligible Revenue

Pursuant to the EU Taxonomy Regulation, revenue as per IAS 1.82(a) must be used to determine taxonomy-eligible revenue. This revenue equates to the revenue shown in the Consolidated Income Statement of the Group's Annual Report 2021/22 and thus is used as the deno-

minator in the following table to determine the company's taxonomy eligibility. The numerator comprises the portion of the revenue that is generated from economic activities covered by the EU Taxonomy Regulation. This results in the following classification for the voestalpine Group:

In millions of euros	Code	Absolute revenue	Share of revenue
A. Taxonomy-Eligible Economic Activities			
Manufacture of iron and steel	3.9.	7,312.4	49.0%
Freight rail transport	6.2.	21.2	0.1%
Infrastructure for rail transport	6.14.	1,523.6	10.2%
Revenue from Taxonomy-Eligible Economic Activities		8,857.2	59.4%
B. Revenue from Taxonomy Non-Eligible Economic Activities		6,066.1	40.6%
Total Revenue		14,923.3	100.0%

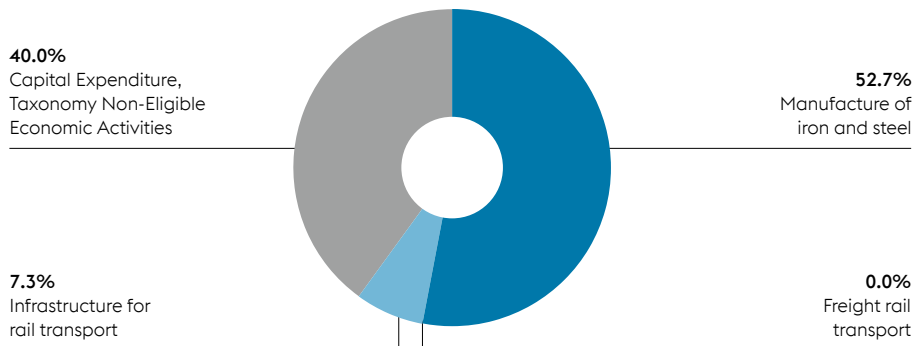


Taxonomy-Eligible Capital Expenditure (CapEx)

Additions to assets—including additions to property, plant and equipment; intangible assets; and right-of-use assets under leases from business combinations—were utilized as the basis for determining the taxonomy-eligible capital expenditure. Investments via joint ventures as well as investments in financial in-

struments were not taken into account. As the capital expenditure matches the data shown in the “Operating Segments” section of the Annual Report 2021/22, it is used as the denominator. The numerator comprises all capital expenditure generated through economic activities covered by the EU Taxonomy Regulation. This results in the following classification for the voestalpine Group:

In millions of euros	Code	Absolute capital expenditure	Share of capital expenditure
A. Taxonomy-Eligible Economic Activities			
Manufacture of iron and steel	3.9.	373.5	52.7%
Freight rail transport	6.2.	0.2	0.0%
Infrastructure for rail transport	6.14.	51.5	7.3%
Capital Expenditure, Taxonomy-Eligible Economic Activities		425.2	60.0%
B. Capital Expenditure, Taxonomy Non-Eligible Economic Activities		283.1	40.0%
Total Capital Expenditure		708.3	100.0%

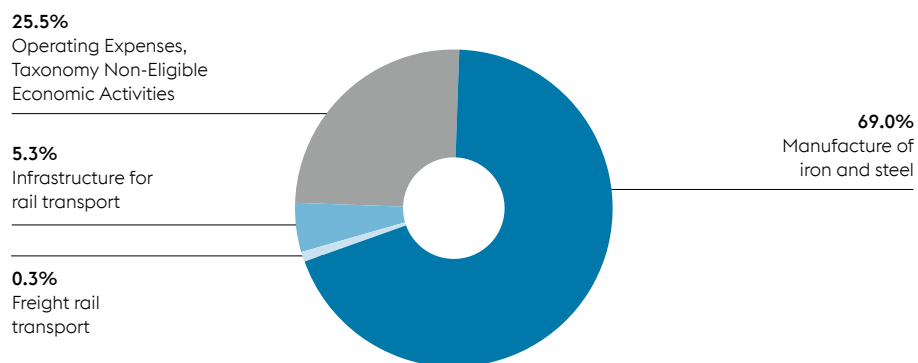


Taxonomy-Eligible Operating Expenses (OpEx)

In contrast to the revenue and the capital expenditure, the operating expenses cannot be directly extracted from the company's Annual Report 2021/22. Only a few select expense categories are relevant to the determination of the denominator for the operating expenses. They include building renovation activities;

maintenance and repairs of property, plant and equipment; research and development expenses; employee training expenses; and current lease expenses. The numerator comprises those operating expenses that are generated through economic activities covered by the EU Taxonomy Regulation. This results in the following classification for the voestalpine Group:

In millions of euros	Code	Absolute operating expenses	Share of operating expenses
A. Taxonomy-Eligible Economic Activities			
Manufacture of iron and steel	3.9.	571.2	69.0%
Freight rail transport	6.2.	2.1	0.3%
Infrastructure for rail transport	6.14.	44.0	5.3%
Operating Expenses, Taxonomy-Eligible Economic Activities		617.3	74.5%
B. Operating Expenses, Taxonomy Non-Eligible Economic Activities		210.8	25.5%
Total Operating Expenses		828.1	100.0%



9.4 TAXES

The Group Tax Strategy, which the Management Board of voestalpine AG adopted as part of the Group Tax Guideline, represents the voestalpine Group's commitment to comply with the tax rules and regulations applicable in a given country in connection with all of its business activities and decisions.

The key principles of the Group Tax Strategy are as follows:

>> **Tax policy**

As part of its global strategy, the voestalpine Group pursues the goal of minimizing its total costs. This is why tax election options are utilized to the extent allowed by law in order to lower the Group's tax liabilities unless doing so adversely affects the Group's business. The design of the Group's tax policies complies with all applicable tax laws in any case.

>> **Corporate responsibility**

The Group pays taxes wherever it generates value added. Transfer pricing within the Group is based on the OECD Transfer Pricing Guidelines. Transfer prices are not used to design tax policy.

>> **Relationships with government agencies**

The voestalpine Group fulfills all cooperation duties under tax law. In particular, it complies with all retention and recording requirements, whether temporal or geographical. The voestalpine Group collaborates proactively in the processes associated with assessments of new laws within the institutions established for that purpose.

Each Group company's executive management is responsible for implementing and complying with tax rules and regulations as well as the Group Tax Guideline. voestalpine AG and its divisions' lead companies regularly review and update the Group Tax Guideline and monitor implementation thereof and compliance therewith in the Group companies. The functional responsibility for these activities at the Management Board level rests with the Chief Financial Officer (CFO) of voestalpine AG. In order to ensure compliance with the Group Tax Strategy, steering processes and monitoring measures were developed for voestalpine AG and the divisions' lead companies regarding the key tax processes in the Group companies that are integral to the Group Tax Guideline.

Furthermore, appropriate actions were taken to ensure compliance with the Group Tax Guideline in the long term. Among other things, this includes reviews of employees' qualifications, clear job descriptions, regular sharing of information related to task-specific matters, and employee training.

The Group companies, the divisions' lead companies, and voestalpine AG regularly exchange information in order to identify tax risks early on. Discussions within Controlling are carried out to this end on a regular basis with the aim of monitoring the implementation of measures related to material tax issues. Changes in tax laws or modifications of business models are coordinated with the divisions' lead companies. The given Group company analyzes the effects thereof and develops suitable measures based thereon, as necessary in collaboration with the division's lead company or voestalpine AG.

If a Group company realizes that a tax return (or tax declaration) previously filed with the tax authorities is incorrect or incomplete, such Group company shall immediately notify the relevant tax authority thereof in accordance with national statutory requirements and shall make the necessary adjustments. The respective Group company or the Group tax department

are notified if such events are discovered, and steps are taken to fix and/or eliminate problems of this nature. Group companies are required to engage an external tax consultant in order to obtain their assessment of material facts and thus to mitigate any tax risks. The voestalpine Group has commissioned KPMG to serve as its global tax partner with respect to assurance of tax compliance within the voestalpine Group.

Any concerns regarding unethical or unlawful conduct may be reported using the Web-based whistleblower system. This system is also available for stakeholders to voice their concerns. These principles ensure the Group's sustainable development.

9.4.1 COUNTRY-BY-COUNTRY REPORTING

As a multinational Group with consolidated revenue in excess of EUR 750 million, voestalpine AG (the Group parent) annually submits a Country-by-Country Report to the appropriate Austrian tax authority.

See the chapter, "Investments," in voestalpine's Annual Report 2021/22 for the names and domiciles of the Group companies. The country-specific disclosures in the Country-by-Country Report (see table on pages 130–131) concern entities that are included in the Consolidated Financial Statements by virtue of being fully consolidated; see the "Investments" chapter of voestalpine's Annual Report 2021/22.

Hence information on entities measured at equity (classified as "KEA" or "KEG" in the aforementioned chapter) as well as on unconsolidated entities (K0) are not contained in aforesaid Report. The data concern the period from April 1, 2021, through March 31, 2022.

The table is presented on pages 130 and 131 of the Appendix.



May, 15

International Day
of Families