CORPORATE RESPONSIBILITY FACTSHEET

2016/17

voestalpine

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DEVELOPMENT OF THE KEY FIGURES

KEY FIGURES

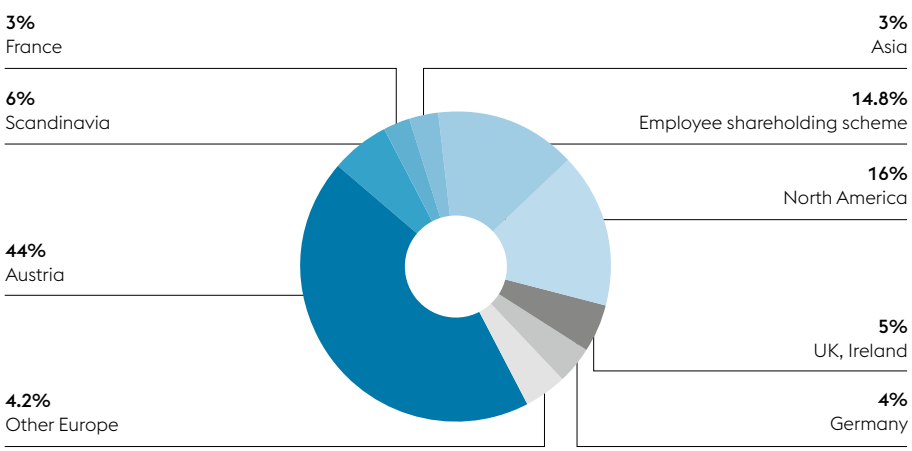
In millions of euros	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue	11,524.4	11,077.2	11,189.5	11,068.7	11,294.5
EBITDA	1,431.3	1,374.0	1,530.1	1,583.4	1,540.7
EBITDA margin	12.4%	12.4%	13.7%	14.3%	13.6%
EBIT	843.1	788.4	886.2	888.8	823.3
EBIT margin	7.3%	7.1%	7.9%	8.0%	7.3%
Employees (full-time equivalent)	46,351	47,485	47,418	48,367	49,703
Research expenses	125.6	128.4	126.7	131.8	140.3
Operating expenses for environmental protection (Austrian production sites)	213.0	218.0	222.0	237.0	231.0
Environmental investments (Austrian production sites)	27.0	23.0	42.0	55.0	46.0
Crude steel production (in millions of tons)	7.529	8.118	7.929	7.733	7.546
CO_2 emissions per ton of crude steel (in tons) *	1.52	1.51	1.52	1.56	1.69

* Figures collected per calendar year, CO_2 emissions in accordance with the Austrian Act on Emissions Allowance Trading (Emissionszertifikategesetz – EZG)

SHAREHOLDER STRUCTURE

The (indicative) shareholder structure according to regions as of the end of the business year 2016/17 is as follows:

SHAREHOLDER STRUCTURE



LARGEST INDIVIDUAL SHAREHOLDERS

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	< 15%
voestalpine Mitarbeiterbeteiligung Privatstiftung	14.8%
Oberbank AG	7.6%

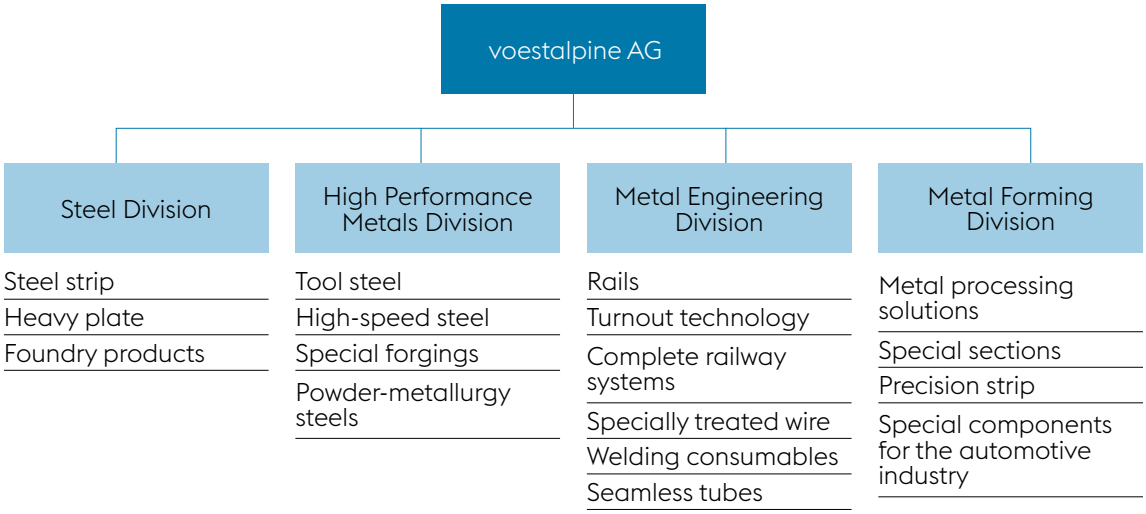
CORPORATE STRUCTURE

voestalpine AG is a technology and capital goods Group whose four divisions, encompassing more than 500 group companies and locations, are active in over 50 countries on five continents.

voestalpine has a workforce of around 50,000 employees worldwide.

The Group is headquartered in Linz, Austria. Since 1995, voestalpine AG has been listed on the Vienna Stock Exchange.

With its top-quality products and system solutions in steel and other metals, the Group is one of the leading partners to the automotive and consumer goods industries in Europe, as well as to the aviation and to the oil and gas industries worldwide. The voestalpine Group is also the world market leader in turnout technology, special rails, tool steel, and special sections.

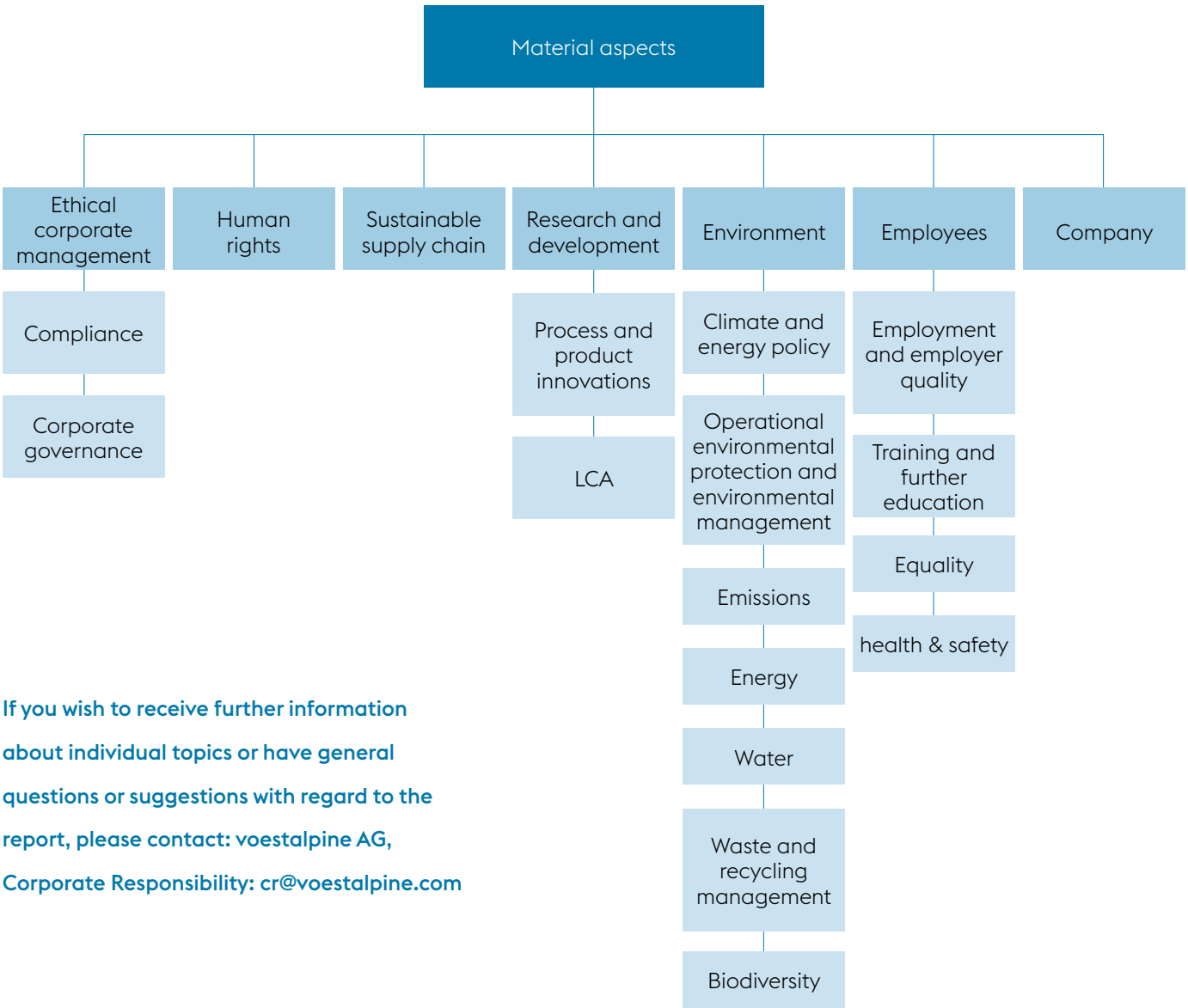


STAKEHOLDER COMMUNICATION AND THE KEY SUBJECT AREAS

voestalpine is in regular contact with its stakeholders by way of its Management Board, its executives, and individual employees in the specialist departments. Beyond the scope of day-to-day business, voestalpine also maintains this dialogue at conferences, specialist conferences and expert roundtables, trade fairs and university events, analyst and investor meetings, through employee surveys and appraisal dialogues as well as within the scope of advocacy and special interest groups, industry associations, and various platforms.

Customers Suppliers Competitors Research institutions Universities	Employees and applicants Management Supervisory Board Works Council
Advocacy and special interest groups NGOs Associations Lawmakers Neighbors, neighboring municipalities Local public agencies	Investors Analysts Banks Shareholders

Ongoing communication with the stakeholders was the most important factor in determining the key subject areas. The following subject areas have been identified as “material aspects” for the sustainable performance of voestalpine:



If you wish to receive further information about individual topics or have general questions or suggestions with regard to the report, please contact: voestalpine AG, Corporate Responsibility: cr@voestalpine.com

ETHICAL CORPORATE MANAGEMENT

Ethical corporate management is responsible corporate governance that is geared to creating sustainable long-term value and to ensuring that the conduct of all Group employees is in compliance with statutory provisions and internal guidelines as well as fundamental moral and ethical values.

COMPLIANCE

voestalpine requires its companies and all its employees to comply with all laws in all the countries in which it operates. However, for voestalpine compliance is more than merely acting legally and in accordance with other external regulations. It is the expression of a culture built on ethical and moral principles. The principles of this corporate culture as it relates to the treatment of customers, suppliers, employees, and other business partners are explicitly stated in the voestalpine Code of Conduct.

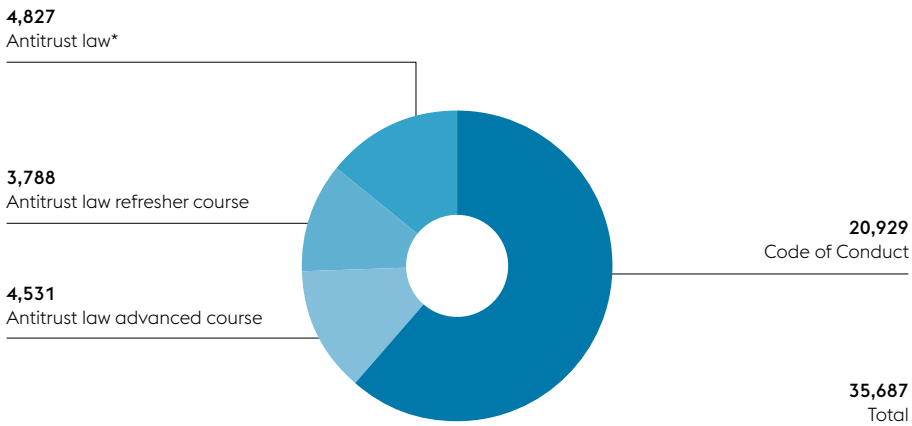
voestalpine likewise requires that its suppliers fully comply with all applicable laws in their respective countries, and they are particularly requested to respect and uphold the fundamental values of human rights.

voestalpine pays special attention to preventative measures as part of its adherence to compliance regulations. This includes courses, training, management meetings, and communication. Since 2002, managing directors, sales personnel, and other employees have attended courses on the subject of antitrust law.

Since the introduction of e-learning courses at the voestalpine Group (antitrust law from 2009; Code of Conduct from 2012), more than 35,000 e-learning courses on the Code of Conduct and antitrust law (incl. refresher courses) have been completed by voestalpine Group employees.

E-LEARNING COURSES COMPLETED SINCE 2012

as of: June 29, 2017



* e-learning courses on antitrust law since 2009

CORPORATE GOVERNANCE

The Management Board and the Supervisory Board of voestalpine AG recognized the Austrian Corporate Governance Code in 2003 and have implemented the amendments introduced since that date without exception.

In addition to the mandatory "L rules" (legal requirements), voestalpine AG voluntarily complies with all of the "C rules" (comply or explain) and the "R rules" (recommendation) of the Code. The Corporate Governance Code provides Austrian stock corporations with a framework for managing and monitoring their company. The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law, as well as the OECD Principles of Corporate Governance. It was most recently updated in January 2015. The Code achieves validity when companies voluntarily undertake to adhere to it. It aims to establish a system of management and control of companies and groups which is accountable and geared to creating sustainable, long-term value. By voluntarily adhering to the Code, voestalpine supports these aims and strives for a high degree of transparency for all the company's stakeholders.

Business transactions with associated companies or parties are reported on in the quarterly reports and in the Annual Report of voestalpine AG.

HUMAN RIGHTS

voestalpine is committed to respecting and upholding human rights in accordance with the UN Charter and the European Convention on Human Rights. Furthermore, voestalpine has supported the UN Global Compact and its ten principles since 2013.

CHILD LABOR AND FORCED LABOR

voestalpine is strictly against child and forced labor. Thus far, there is not a single known case of child labor, forced labor, or compulsory labor in the entire Group.

HUMAN TRAFFICKING AND MODERN SLAVERY

The voestalpine corporate culture recognizes and welcomes the fact that every person is unique and valuable, and must be respected for their individual abilities. Consequently, the voestalpine Group forbids any form of human trafficking, and this is set out in the voestalpine Code of Conduct.

COLLECTIVE BARGAINING AND THE RIGHT TO FREEDOM OF ASSOCIATION

Around 80% of the voestalpine workforce is in an employment relationship that is regulated by a collective agreement, that is to say, in all countries where such collective agreements exist. Every employee has the fundamental right and freedom to become a member of a union. In all voestalpine companies, employee representatives can be elected by the workforce. There is a Group Works Council and a European Works Council in the voestalpine Group.

RESEARCH AND DEVELOPMENT

Research and development (R&D) is a core element of voestalpine's sustainable business strategy. Innovations are necessary for a technology-driven company such as voestalpine in order to develop new products and production processes that will enable it to differentiate itself from the competition and survive on the market over the long term. Innovations ensure the continued prosperity of the company.

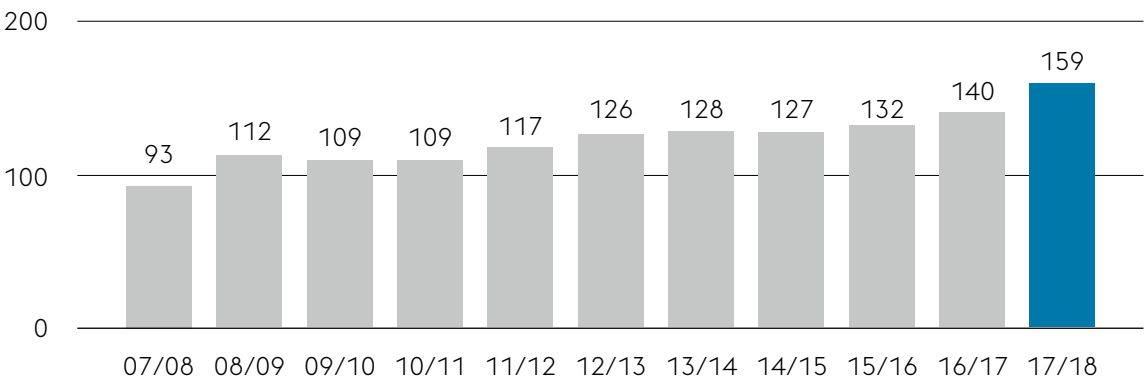
Key areas of innovation within the voestalpine Group include further developments to the steel production process, processing operations, and the development of new production processes such as additive manufacturing as well as material technologies and the development of products, components, and complete system solutions.

RESEARCH EXPENSES FOR THE voestalpine GROUP

Research expenditure has risen continuously in recent years. The budget of EUR 159 million in the business year 2017/18 reflects the standing of R&D within the Group.

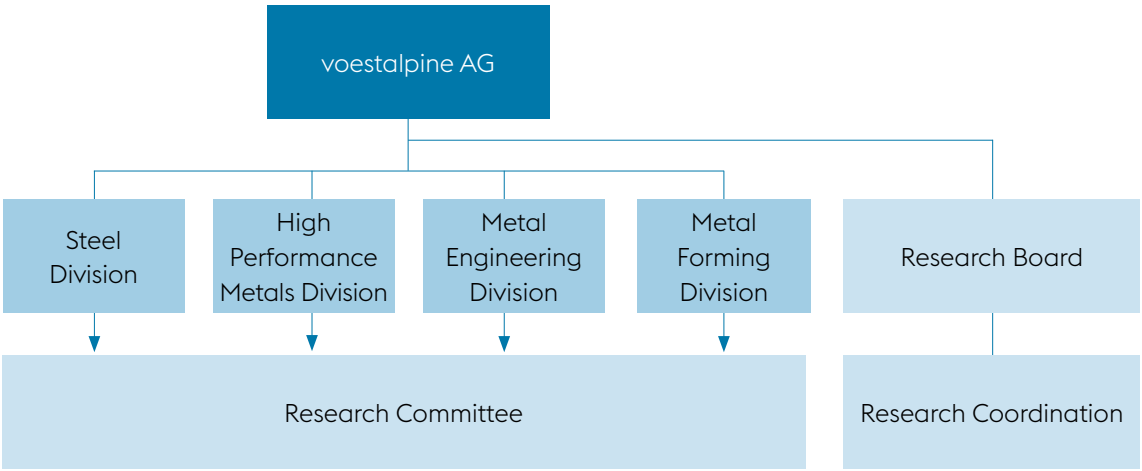
GROSS R&D EXPENSES

(excl. R&D capital investments) per business year, in millions of euros



ORGANIZATION

voestalpine R&D activities are decentralized and located close to the individual production sites.



RESOURCE-CONSERVING AND ENVIRONMENTALLY-FRIENDLY PROCESSES AND FACILITIES

voestalpine is working intensively to gradually decarbonize steel production, initially by the partial replacement of coke using natural gas-based bridging technology, and through to the long-term, gradual use of carbon-neutral hydrogen. The direct reduction plant in the US state of Texas, is now operating successfully, with the HBI (hot briquetted iron) it produces used in voestalpine

blast furnaces and steel mills where it contributes to lowering CO_2 emissions.

Over the long term, ongoing R&D projects designed to substitute carbon with "green" energy, i.e. hydrogen generated using power from renewable energy sources, should enable almost carbon-free steel production.

A pilot project to generate hydrogen has been started at the site in Linz, both to test electrolysis technology and to demonstrate its potential application in steel production. However, implementing end-to-end hydrogen-based steel production is still a future scenario, and directly linked to energy costs and availability.

A new focus is the digitalization of production, or Industry 4.0. The aim is to further increase production efficiency and product quality. The human factor still remains important, with employees as highly qualified specialists at the interface between IT and machinery.

MATERIALS DEVELOPMENT AND PRODUCT INNOVATIONS

The focus of materials engineering and product development lies in the development of product and system solutions which are best able to meet the demands of reduced weight, enhanced durability, efficiency, safety, and user comfort. This includes enhancements in ultra-high strength steel grades for hot and cold rolled strip, forged aircraft components, the development of steel and nickel-based powders for use in additive manufacturing, enhanced tool steels and hard coatings, rail steel optimized for wear and turnout system solutions including diagnostics systems, high-strength sour-gas-resistant steel for tubes and gas-tight tube connections, components for lightweight construction, and the development of processing technologies for steel and other metals.

ECOLOGY

Active environmental protection is a core element of voestalpine's corporate philosophy. It is part of all segments of the production chain and is directed toward very economical use of resources (especially raw materials and energy) and minimization of the environmental impact of our processes and products.

In the voestalpine Group, environmental protection begins with the production facilities, where we strive to make use of the best available technologies, undertake intensive research in order to develop environmentally-friendly steel production processes and products, implement measures to increase efficiency, reduce emissions, achieve energy savings, and—last but not least—facilitate transparent and efficient environmental management.

At all of our production locations, we are committed to the following principles:

- **Holistic responsibility for our products**
- **Optimization of production processes**
- **Establishment of environmental management systems**
- **Integration of employees into the process by ensuring that each individual behaves in an environmentally responsible way**
- **Open and objective dialogue**

Due to its consistent efforts, voestalpine has a leading position within the European steel industry, for example, with regard to emissions intensity and resource efficiency. Many innovative processes were developed in the company or jointly with industrial partners and used for the first time worldwide at voestalpine.

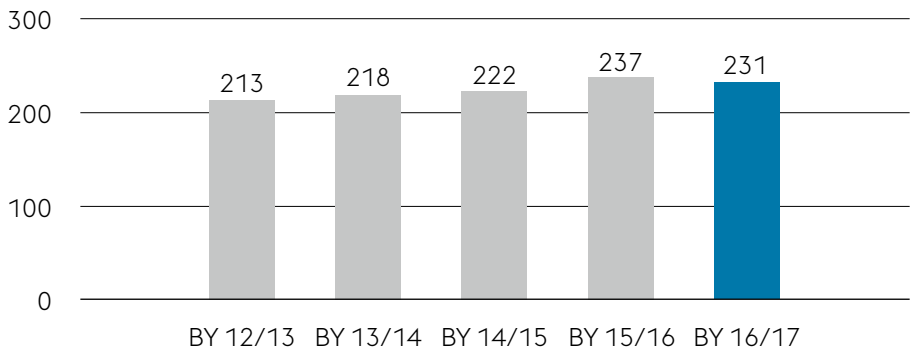
The production companies certified under the environmental management system represent 100% of the crude steel produced by the voestalpine Group. As of December 31, 2016, 62 of 124 locations (50%) operated an environmental management system in accordance with ISO 14001, and 15 locations (12%) were certified according to EMAS.

OPERATING EXPENSES FOR ENVIRONMENTAL PROTECTION SYSTEMS

For many years, voestalpine has been consistently advancing the application of high environmental and environmental technology standards. This is also reflected in the environmental expenditure and investment indicators. In the business year 2016/17, environmental investment amounted to EUR 45 million, and the ongoing costs of operations for environmental systems came to EUR 231 million.

ENVIRONMENTAL EXPENDITURE *

in millions of euros



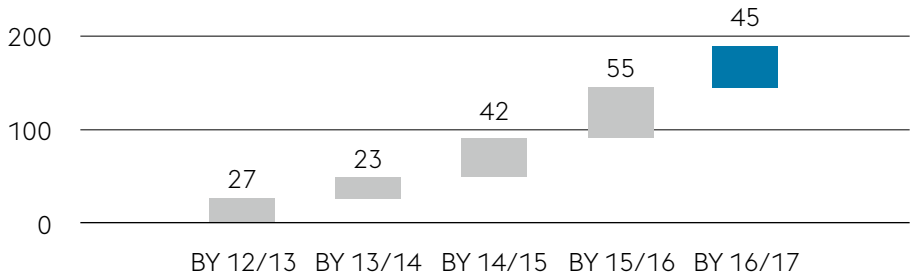
* excl. voestalpine Texas LLC run-up phase
A number of production sites outside Austria were included in the data from BY 2015/16 onwards.

ENVIRONMENTAL INVESTMENTS

At 49.7%, the greatest percentage of environmental expenditures in the business year 2016/17 was spent on air purification measures and the purchase of CO_2 certificates as part of the EU emissions trading system. 26.6% of the expenses went towards waste recycling, reuse, and disposal, and 20.3% for water protection measures.

ENVIRONMENTAL INVESTMENTS *

(cumulative) in millions of euros



* excl. voestalpine Texas LLC run-up phase
A number of production sites outside Austria were included in the data from BY 2015/16 onwards.

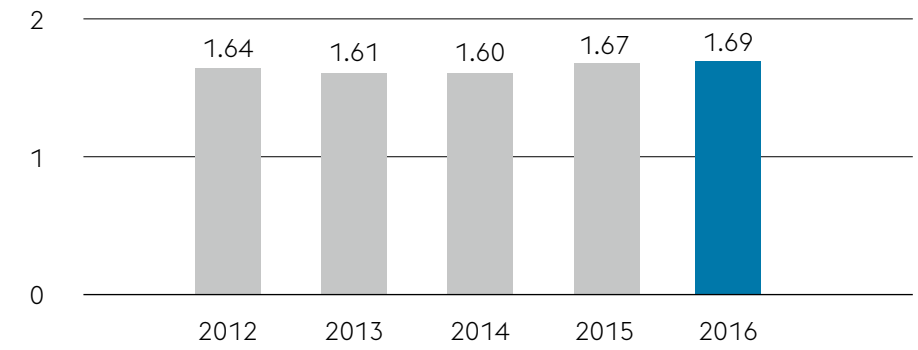
AIR EMISSIONS

SPECIFIC CO_2 EMISSIONS

Crude steel production using the blast furnace route depends on the use of carbon as a reducing agent, and the resulting CO_2 emissions are technically unavoidable. The minimal changes in specific CO_2 emissions are determined by the share of sideritic (carbonatic) ore from Styria's Erzberg at the steel production sites in Linz and Donawitz.

SPECIFIC CO_2 EMISSIONS *

t CO_2/t of crude steel



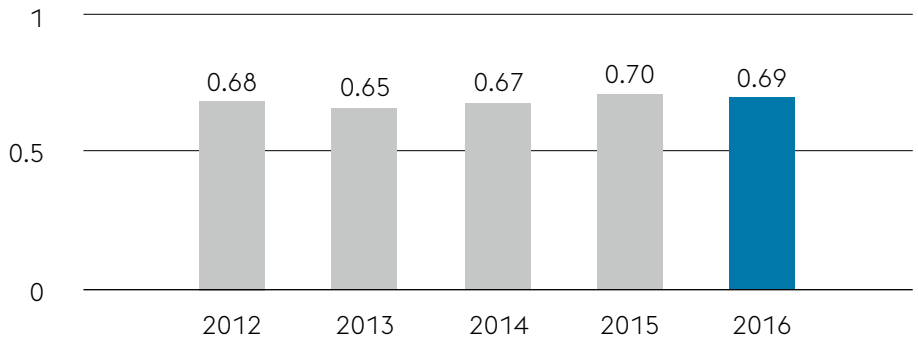
* values for CO_2 emissions as stipulated in the Austrian Act on Emissions Allowance Trading (EZG) at the Linz and Donawitz sites

SPECIFIC SO_2 EMISSIONS

Many raw materials contain sulfur, which is then introduced into the production process. During certain processing steps and when byproducts (coke oven gas and blast furnace gas) are used for energy generation, sulfur is emitted in the form of sulfur dioxide (SO_2). The specific SO_2 emissions in the calendar year 2016 were 0.69 kg per ton of crude steel. In recent years, changes remained at a low level and within the production-based fluctuation range.

SPECIFIC SO_2 EMISSIONS *

kg/t of crude steel



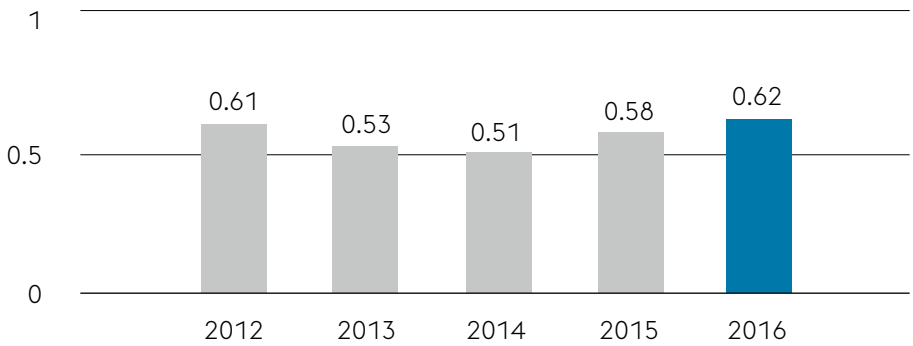
* excl. voestalpine Texas LLC run-up phase

SPECIFIC NO_x EMISSIONS

Nitrous oxides (NO_x) are gaseous nitrogen compounds which are generally created during combustion processes. In steel production nitrous oxides largely result from operating the industrial facilities and from thermal recycling of the blast furnace gases. By deploying denitrification systems and improved combustion technologies, voestalpine has significantly reduced these emissions in a long-term comparison. The specific NO_x emissions in the calendar year 2016 were 0.62 kg per ton of crude steel. In recent years, changes remained at a low level and within the production-based fluctuation range.

SPECIFIC NO_x EMISSIONS *

kg NO_x/t of crude steel



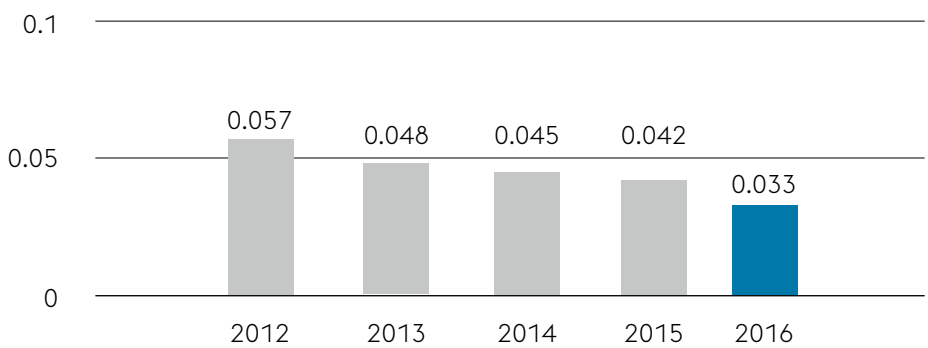
* excl. voestalpine Texas LLC run-up phase

SPECIFIC CAPTURED DUST EMISSIONS

Dust-laden exhaust gases and emissions occurring during production are captured and routed to a de-dusting system using state-of-the-art measures and precautions. Ongoing investments, e.g. into raising the efficiency of existing filter systems, have resulted in a significant reduction in specific dust emissions over the past years.

SPECIFIC CAPTURED DUST EMISSIONS *

kg dust/t of crude steel



* excl. voestalpine Texas LLC run-up phase

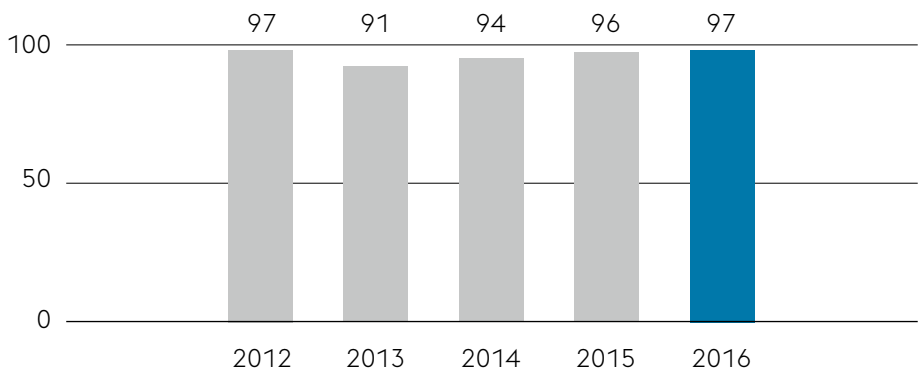
WATER MANAGEMENT

SPECIFIC VOLUME OF WATER CONSUMED

Water is one of the most important consumables and auxiliary materials in crude steel production; it is primarily used for cooling and for generating steam. Conserving water resources, and with particular consideration of the local circumstances, is achieved using methods including closed-circuit systems and the multiple use of process water. The vast majority of this water is drawn from surface sources. After use it is treated and returned in a quality at least equal to its original state. Consequently, actual water consumption (e.g. through evaporation) is comparatively low.

SPECIFIC VOLUME OF WATER CONSUMED *, **

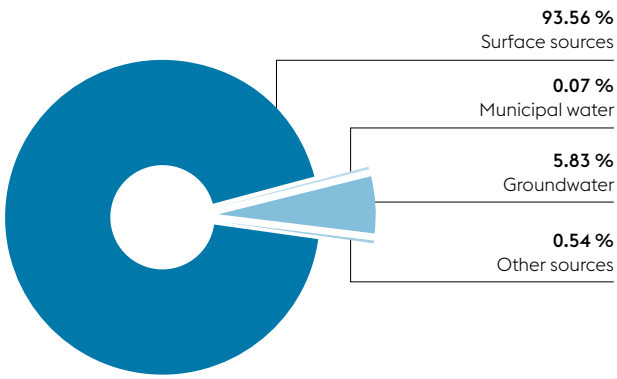
m^3/t of crude steel



* excl. voestalpine Texas LLC run-up phase
** time series corrected to include cooling water for condensers in the power plant at voestalpine Stahl Donawitz GmbH

WATER CONSUMPTION BY SOURCE

WATER CONSUMPTION BY SOURCE – CALENDAR YEAR 2016



WASTE AND RECYCLING MANAGEMENT

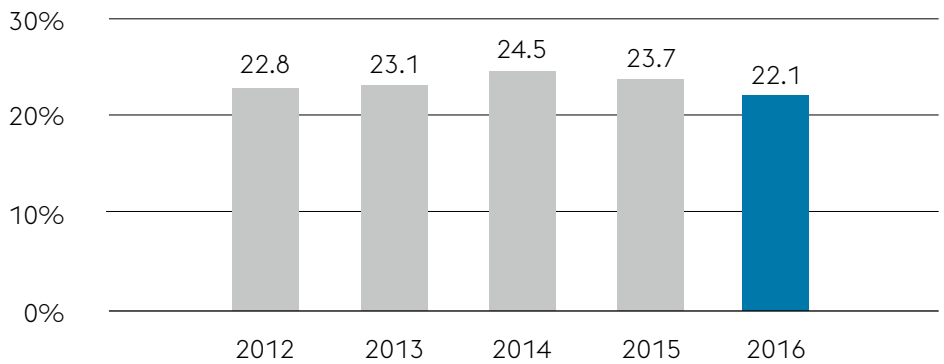
As far as the conservation of resources is concerned, sustainability is not limited to production and processing alone. voestalpine undertakes numerous activities to optimize the durability of its products as well as their reusability, recyclability, and recoverability.

Due to their composition, many of the byproducts generated by the production and downstream processing of pig iron and steel can be utilized in-house as recycled materials or in other industrial branches (e.g. steel mill dust in the zinc industry) as secondary raw materials.

Process management in integrated metallurgical facilities is optimized on an ongoing basis in order to ensure a high degree of internal recycling and external utilization of waste and residual products that accrue from production facilities and downstream machinery, including filter dust and mill scale. Additionally, residual materials and waste that accrues in external production facilities are also utilized in voestalpine production facilities, for example, scrap, plastic pellets, used oil, and grease.

Fluctuations between the reporting periods are largely the result of construction activities and the resultant construction waste, for both hazardous and non-hazardous waste.

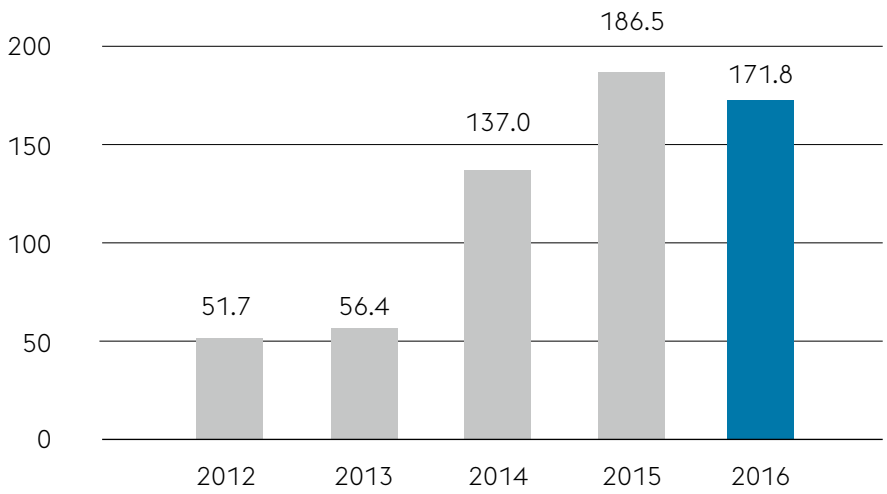
RECYCLING RATE *



* refers to the Linz and Donawitz sites and the special steel plants in Kapfenberg, Wetzlar, Hagfors, and Sumare

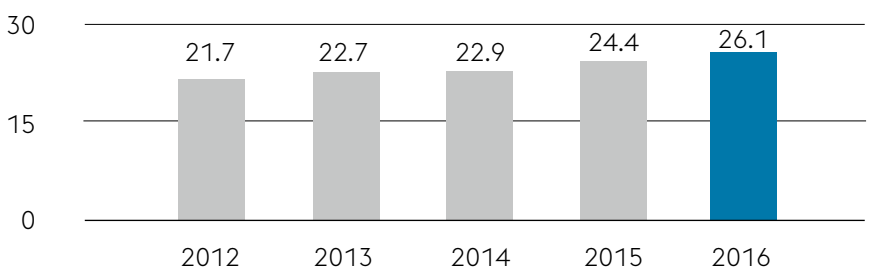
SPECIFIC VOLUME OF NON-HAZARDOUS WASTE

kg/t of crude steel



SPECIFIC VOLUME OF HAZARDOUS WASTE

kg/t of crude steel



ENERGY

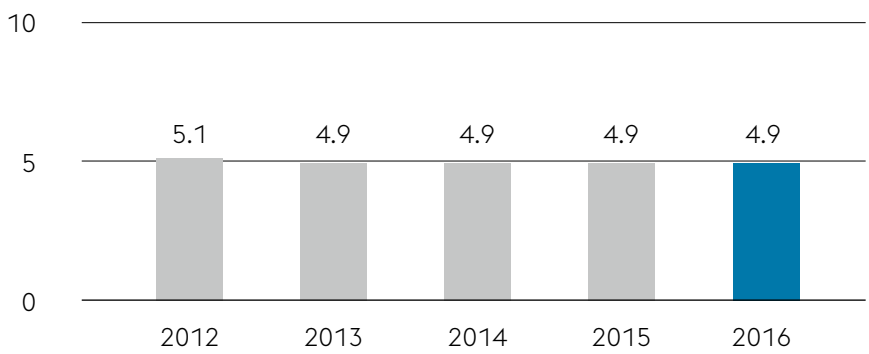
SPECIFIC TOTAL ENERGY CONSUMPTION

Energy efficiency in the steel industry is a constant challenge, if only for reasons of cost. In conventional, integrated metallurgical facilities, an increase in efficiency can be achieved through measures including optimizing process gases, raising the thermal recycling of these gases, and utilizing waste heat potential.

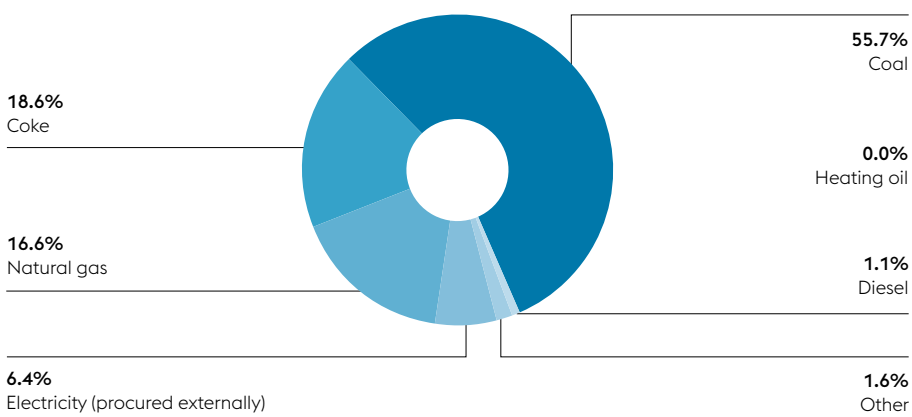
In the calendar year 2016, the entire energy consumption of the voestalpine Group amounted to 37.1 TWh, with the crude steel producing sites in Linz and Donawitz accounting for the vast majority of this consumption. The most important energy sources are coal, coke, and natural gas, with the share of electricity procured externally playing a minor role.

SPECIFIC TOTAL ENERGY CONSUMPYON

MWh/t of crude steel



SHARE OF ENERGY SOURCES

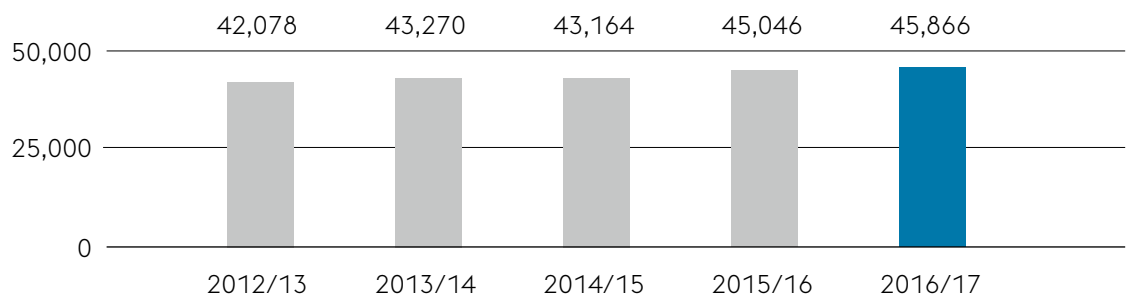


EMPLOYEES

As of the reporting date of March 31, 2017, the voestalpine Group had a workforce of 45,866 employees (excluding apprentices and temporary employees). Including the 1,320 apprentices and 3,680 temporary employees, this number rises to 49,703 FTEs (full time equivalents).

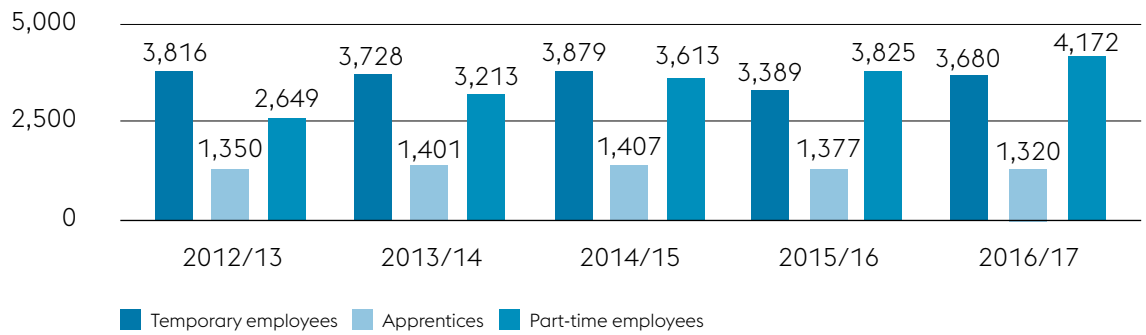
DEVELOPMENT OF EMPLOYEE NUMBERS

employees (headcount, excl. apprentices) per business year



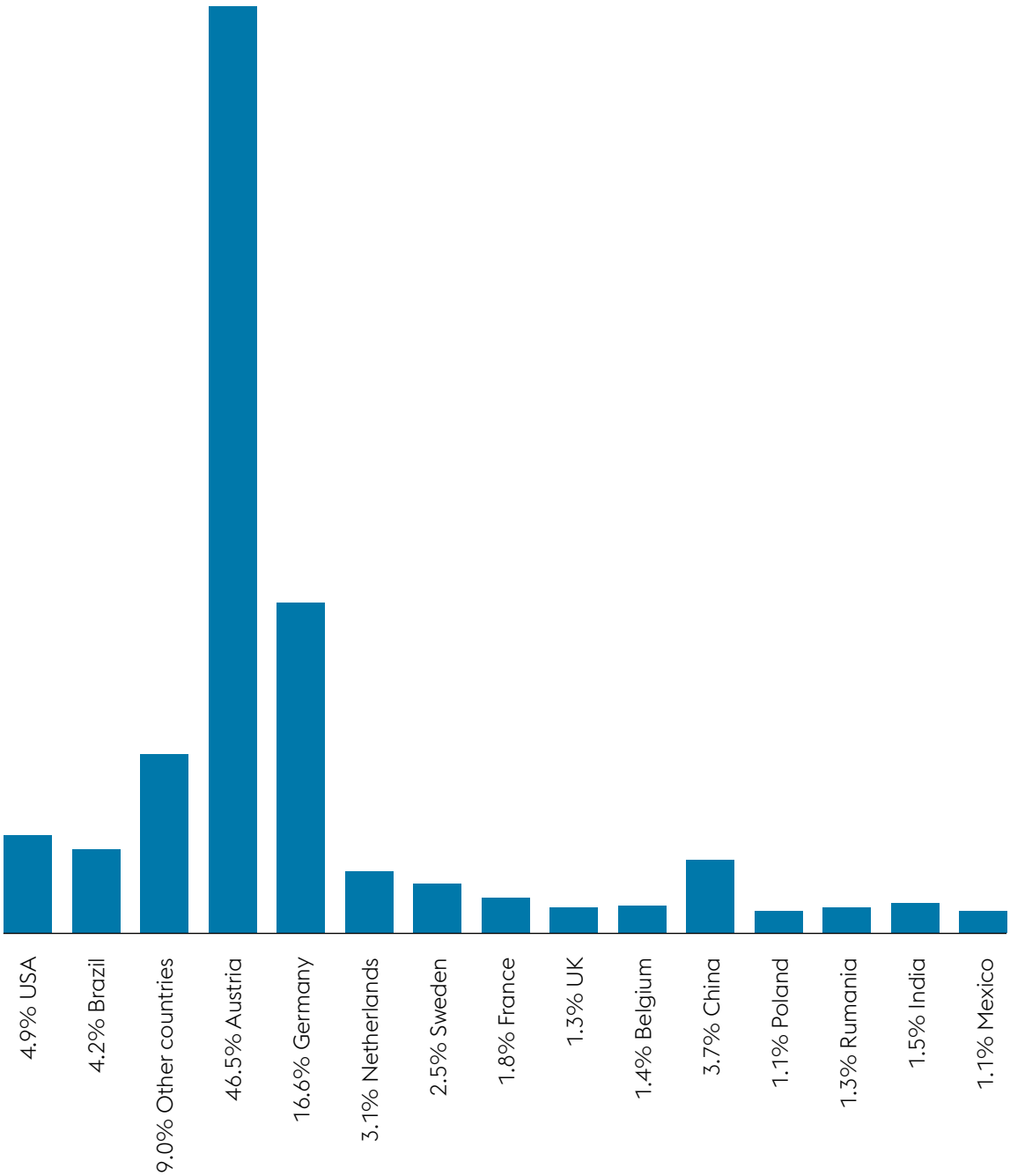
EMPLOYEES ACCORDING TO EMPLOYMENT RELATIONSHIP

(excl. full time employees) each as of reporting date of March 31



EMPLOYMENT BY COUNTRIES

The voestalpine Group has almost 50,000 employees (FTE) working at around 500 Group companies and locations in 50 countries on five continents. 53.5% of employees work at sites outside Austria, and 46.5 % in Austrian Group companies.



AGE STRUCTURE OF THE EMPLOYEES

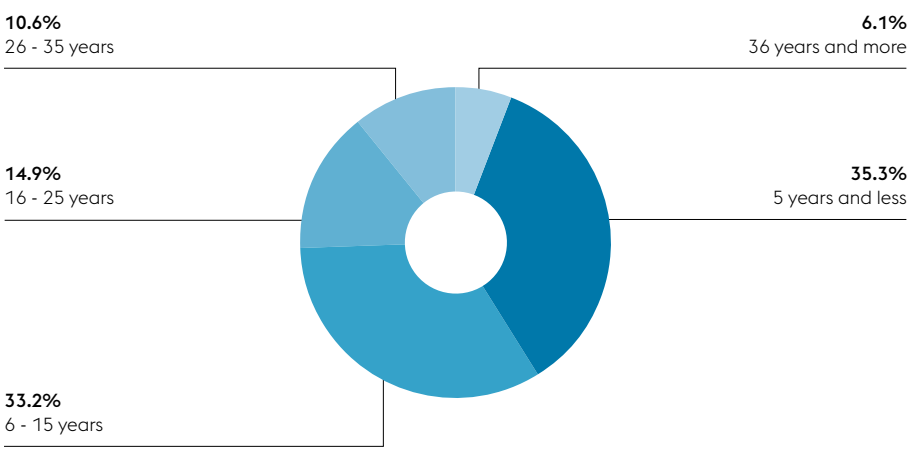
During the business year 2016/17, the average employee age was 41.1 years; this figure remains largely unchanged from that of the previous business year (BY 2015/16: 41.2 years).

PERIOD OF EMPLOYMENT AND FLUCTUATION

As of March 31, 2017, the external fluctuation rate was 6.1% (employment terminated by the employee or by mutual consent), and has therefore remained at a similar level for many years. The number of applications for each advertised position is 23, the same value as in the previous year.

PERIOD OF EMPLOYMENT

as of March 31, 2017



EQUAL TREATMENT

Each and every voestalpine employee is unique and valuable and must be respected for his/her individual abilities. We see our employees as hard-working, motivated, eager to make every effort, and interested in taking an active role in both their own development and the development of the company in all of its diversity. For our part, we create a corporate culture in which we require and promote trust, diversity, self-determination, and assuming responsibility.

At voestalpine, all employees are treated equally regardless of gender, age, ethnic origin, religion, sexual orientation, or any disabilities. Therefore, the voestalpine Group does not tolerate any form of discrimination whatsoever. This is stated in the Code of Conduct, Chapter "Respect and Integrity", which is binding for all employees throughout the entire Group.

WOMEN AT VOESTALPINE

As of March 31, 2017, the percentage of women in the voestalpine Group overall was 13.5%. The percentage of female executives, i.e. salaried employees who hold positions with staff responsibility, including forepersons but excluding members of the Management Board, was 11.5%.

PERCENTAGE OF WOMEN IN THE WORKFORCE AT voestalpine

each as of reporting date of March 31

	2012/13	2013/14	2014/15	2015/16	2016/17
Women total	12.6%	13.4%	13.3%	13.1%	13.5%
Female managers	10.1%	10,6%	11.0%	12.0%	11.5%
Salaried employees	27.7%	28.4%	28.4%	28.4%	28.5%
Laborers	3.5%	4.3%	4.1%	3.9%	4.5%
Female apprentices	15.5%	14.6%	18.5%	17.9%	18.0%

TRAINING AND FURTHER EDUCATION

Maintaining staff qualifications at the highest level is a prerequisite for innovation and quality, and consequently for the success of voestalpine. The total cost for personnel development during the business year 2016/17 was around EUR 51 million. 68.3 % of employees took part in training and continuing education measures. Across the Group, employees participated in a total of 739,824 hours of training; an average of 23.6 hours per trained employee.

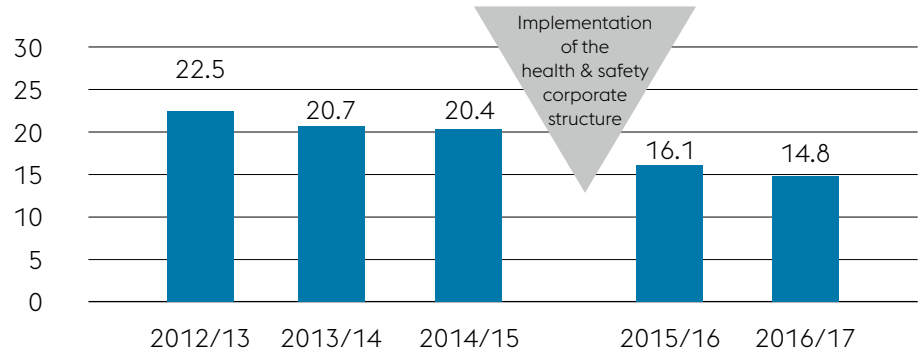
HEALTH & SAFETY

Occupational health & safety is a fundamental principle at voestalpine and enjoys the highest priority.

A large number of voestalpine companies have certified occupational safety and health management systems. All companies in the Steel Division are OHSAS 18001 certified. The aim is to extend certification across the entire Group.

DEVELOPMENT OF THE LOST TIME INJURY FREQUENCY RATE (LTIFR)

as of March 31



REPORT PARAMETERS AND REPORTING PERIOD

This is the updated version of the summary of the voestalpine Corporate Responsibility Report 2015/16. The report has been drawn up in line with GRI G4 guidelines. This factsheet includes the key figures and facts.

Unless otherwise stated, all the information provided refers to the entire Group. When compiling the environmental performance indicators, all voestalpine Group production companies, i.e., companies that process, convert, or treat a product, in which voestalpine has a stake greater than 50% were included. This simplification enables a Group-wide presentation without compromising data quality.

The voestalpine business year runs from April 1 to March 31; the reporting period records the economic key figures and employee data for the last five business years. Environmental data must be reported to public agencies for the calendar year, and are quoted as such in this report.

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UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

GREEN BRAND Austria 2016 / 2017

2017 CSR Rating GOLD ecovadis

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