Corporate Responsibility Report 2013

voestalpine
ONE STEP AHEAD.

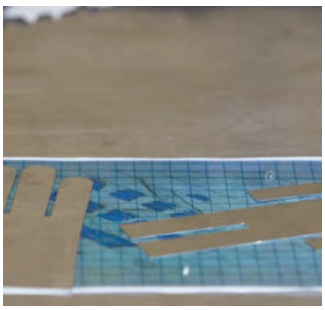
Apprentices design workpieces for the Corporate Responsibility Report

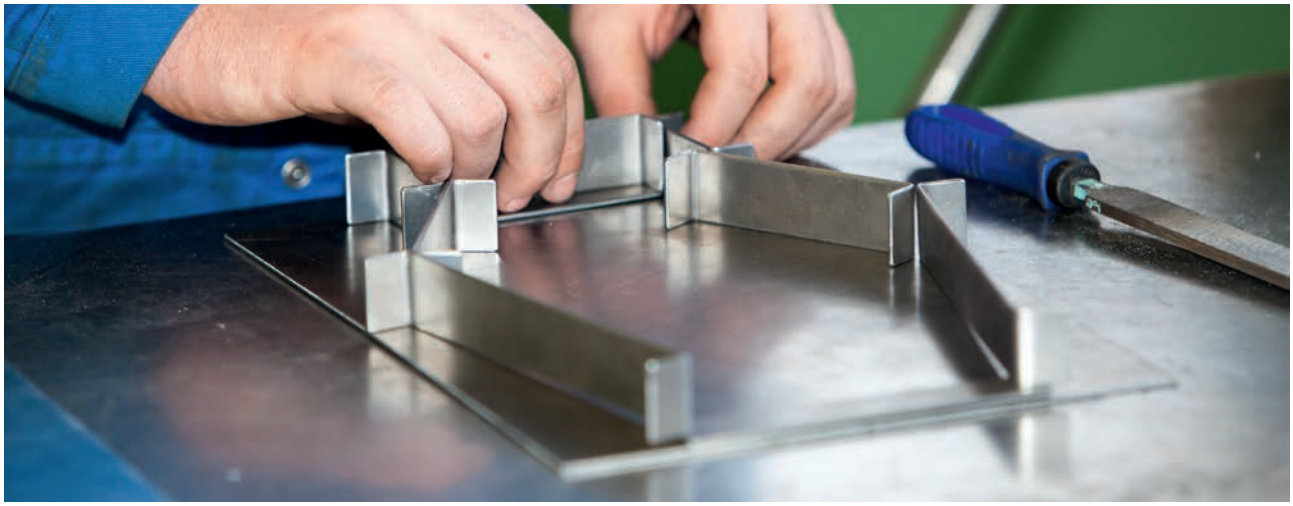
At voestalpine, training and continuing education have always had a high priority as a basis for excellent qualifications and secure jobs. Currently, 1,350 apprentices are being trained Group-wide.

The idea of connecting corporate responsibility with our apprentices–the future of our company–was the basis for the layout concept of this report. Currently eleven boys and one girl are in the second year of their apprenticeship for metal technology / civil engineering technology. Before starting their apprenticeship, they had to prevail against 100 other young people who had also applied to train for this apprenticeship occupation.

On the one hand, the twelve apprentices were selected to engage with the topics of sustainability, environmental protection, and social responsibility. On the other, the young people were encouraged to create workpieces according to their own ideas and designs that relate to the content and individual chapters of the report.

The apprentices were responsible for all the creative suggestions with regard to drafting the drawings and ideas about materials and the appropriate production technology; the actual implementation of the projects was carried out in the apprentice training facility under the guidance of the foreman and the apprentice trainer. The completed workpieces–each one a work of art–and the photographic layout were presented to the CEO and Chairman of the Management Board of voestalpine Dr. Wolfgang Eder at a breakfast meeting. The results can be seen in the large-scale pictures throughout this report.



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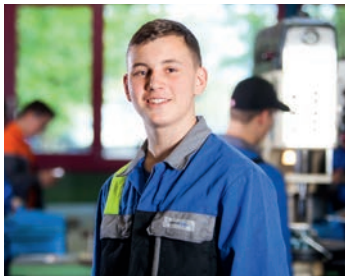

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1. Preface by the CEO

Ladies and Gentlemen:

In this report, we are presenting for the first time a comprehensive survey of corporate responsibility in the voestalpine Group in accordance with the guidelines of the Global Reporting Initiative (GRI). With this publication, we wish to document how we interpret the concept of "responsibility" vis-à-vis our stakeholders that has always been of intrinsic value in our corporate culture and how we have been practicing it consistently for a long time—in some aspects going far beyond the purely statutory requirements. Furthermore, this information, which is as comprehensive and objective as possible, provides the basis for serious and fact-based shaping of public opinion and decision making processes, be they in the public square, in politics, or in the media. From now on, we will be contributing to information and dialogue by publishing our CR Report every two years with the same transparency and openness that we have always endeavored to achieve, for example, in our environmental communications that have received a number of awards.

As a steel-based technology and capital goods group, voestalpine is naturally affected by issues that are perceived as sensitive by some parties and whose substance, effects, and underlying problems are often difficult to convey and certainly cannot be conveyed by way of strident communications. This does not only affect "classic" sectors such as energy and ecology; particularly for a corporation that operates worldwide, it is increasingly a priority to engage in all forms of mutual interaction with employees, business partners, shareholders, and all other stakeholders. For this reason, we support not only national CSR networks but also the UN Global Compact, whose ten principles we are fully committed to.

The progressing internationalization of the voestalpine Group, which already generates almost 30% of its revenue and has just over 20% of its employees outside of Europe, places growing demands on our company with regard to corporate responsibility that are increasingly complex and time-consuming. This applies all the more as we continue to advance consistently on the path of globalization in the most sophisticated product and technology segments within the framework of our Group strategy "voestalpine 2020," fully aware that this not only opens up economic opportunities but also presents risk potential in some sectors.

In the give-and-take between decentralized operations and strategic management, we have been focused for quite some time on the conceptual and structural challenges that result from the internationalization process that has affected all sectors of the Group and on developing and implementing the appropriate responses. In addition to a comprehensive planning process of possible scenarios regarding long-term economic, industrial, and socio-political framework conditions, an important question is at the center of our deliberations: in our global environment, how can we uphold—or where it is possible even further improve—our standards (particularly with regard to environmental compatibility, resource efficiency, and our relationships with our employees and business partners) that are in many sectors already far above the average and much higher than is mandated by law.

We are well aware that, overall, the voestalpine Group is very well positioned for future challenges, and we are proud of our employees all over the world who have made the success of our company possible. Therefore, our intention is that—in addition its purely informative nature—the present report should provide you with insight into the "world of voestalpine" and the people who inhabit and shape it.

This authenticity is an essential aspect of this CR Report not only as far as content is concerned, but in its design as well. Twelve apprentices, who are

completing their training at the Linz site, have designed individual symbols for each of the topics of this report and have created the workpieces themselves. This symbolizes an attribute that is particularly essential for corporate responsibility: responsibility that provides that crucial quantum above and beyond what is necessary must be assumed, embraced, and made part of their lives by all our employees on a daily basis.

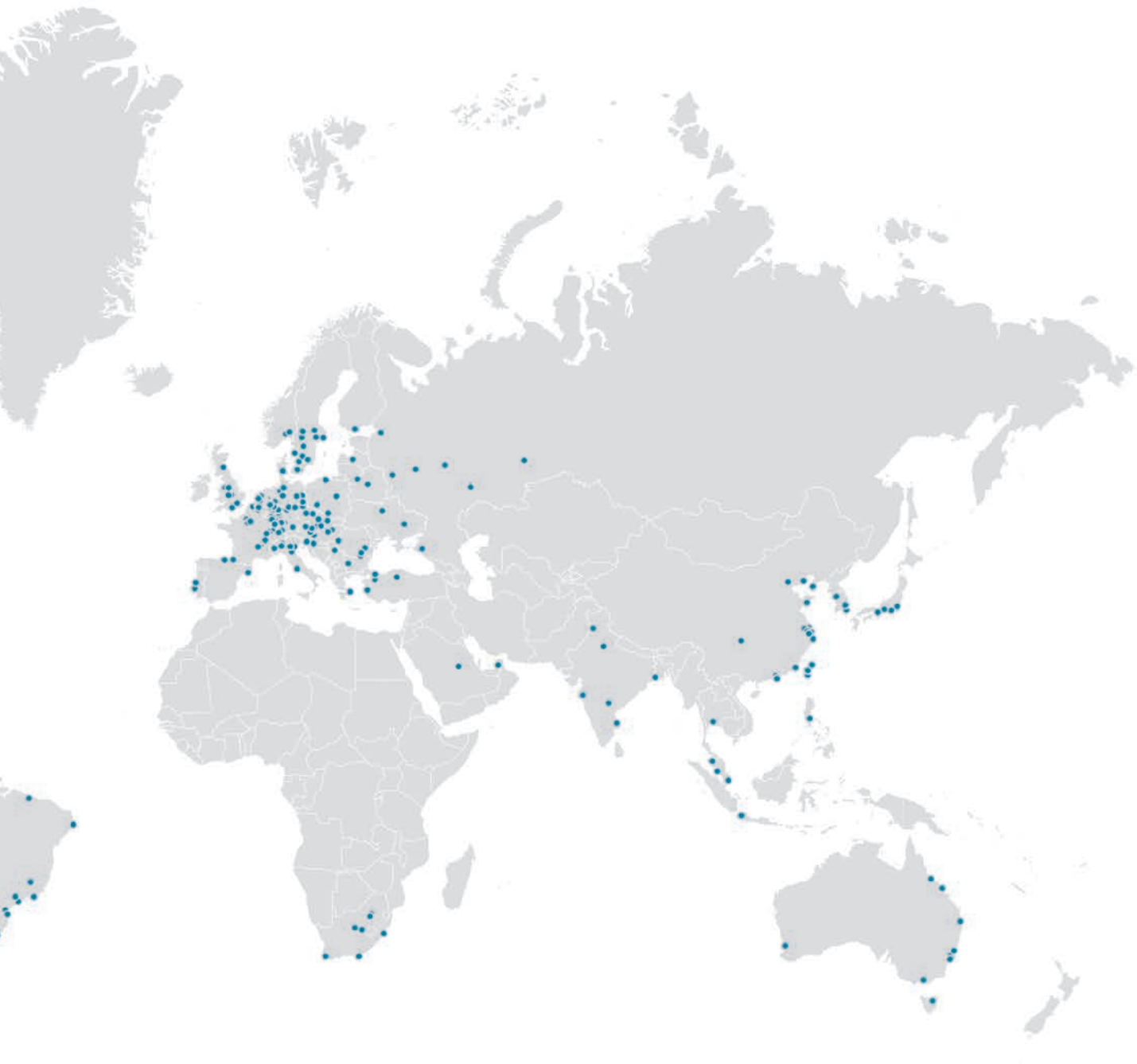
This identification with the company and its values is characteristic for our Group across all locations and all national borders. I would like to especially thank all those who were part of creating this first Corporate Responsibility Report on "their" voestalpine and whose commitment and expertise made it possible.

Dr. Wolfgang Eder
CEO and Chairman of the Management Board of voestalpine AG

Marco Gabriel, Metalltechniker/Maschinenbautechnik, 2. Lehrjahr

2. voestalpine AG – facts & figures

voestalpine AG is a Group that operates worldwide and consists of many specialized companies that manufacture, process, and develop high-quality steel products. The Group has more than 46,000 employees, and its more than 500 Group companies and locations can be found in more than 50 countries on five continents. The company is headquartered in Linz, Austria. voestalpine AG has been listed on the Vienna Stock Exchange since 1995.



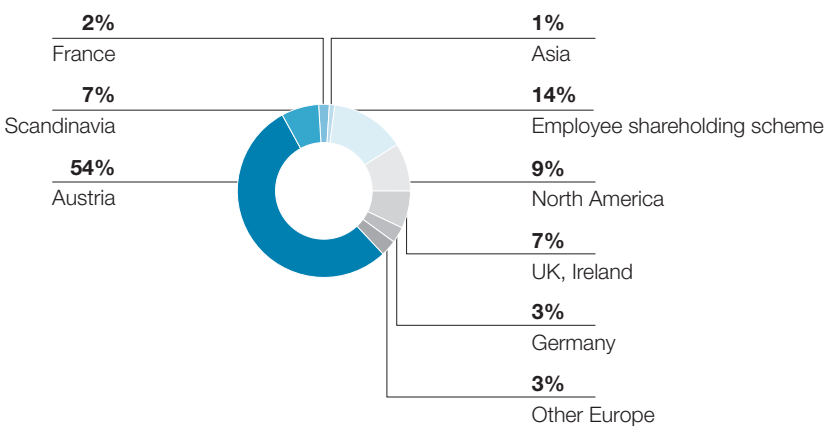
2.1 Development of the key figures

Key figures

In millions of euros	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue	11,724.9	8,550.0	10,953.7	12,058.2	11,524.4
EBITDA	1,710.1	1,004.3	1,605.6	1,301.9	1,441.8
EBITDA margin	14.6%	11.7%	14.7%	10.8%	12.5%
EBIT	988.7	352.0	984.8	704.2	853.6
EBIT margin	8.4%	4.1%	9.0%	5.8%	7.4%
Employees (full-time equivalent)	44,004	42,021	45,260	46,473	46,351
Research expenses (in millions of euros)	112.0	108.8	109.0	116.7	125.6
Operating expenses for environmental protection systems (in millions of euros) in Austria	225.0	193.0	194.0	212.0	213.0
Crude steel production (in millions of tons)	6.807	6.075	7.717	7.572	7.529
CO_2 emissions per ton of crude steel (in tons)*	1.73	1.56	1.51	1.56	1.52

* Figures collected per calendar year

Shareholder structure

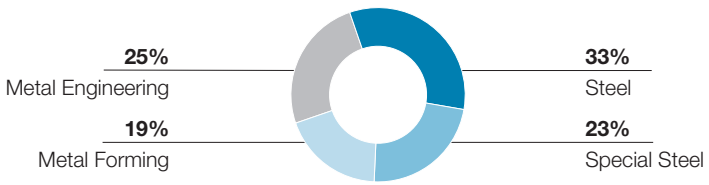


Largest individual shareholders	
Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG	<15%
voestalpine Employee shareholding scheme	14.4%
Oberbank AG	7.9%
Norges Bank	>4%

Manuel Mayrhofer, Metal technology/Civil engineering technology, second-year apprentice

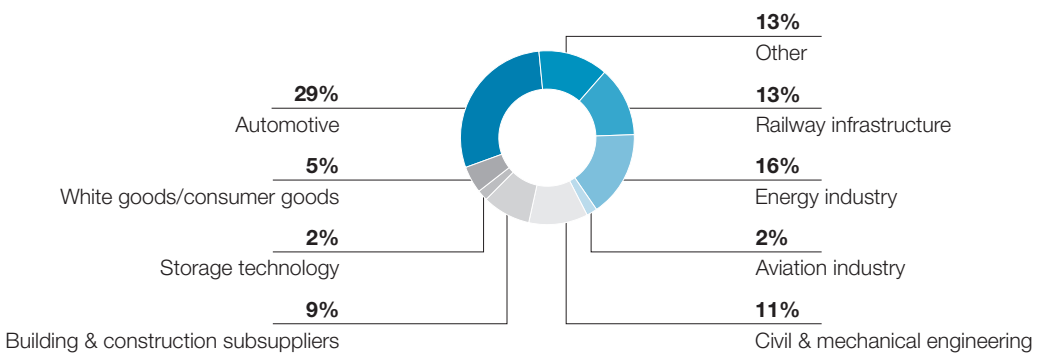
Revenue by divisions

As percentage of total divisional revenue
Business year 2012/13



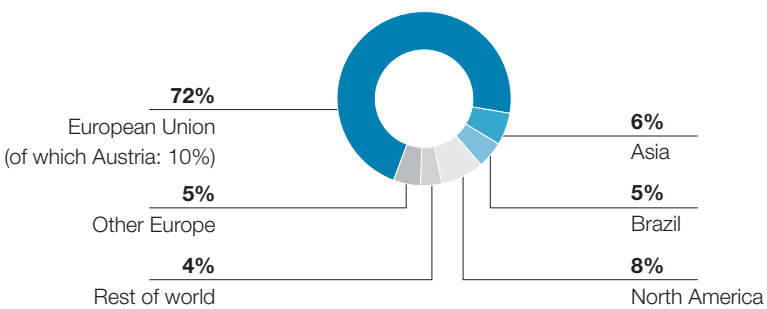
Revenue by industries

As percentage of Group revenue
Business year 2012/13



Revenue by regions

As percentage of Group revenue
Business year 2012/13



2.2 Business model

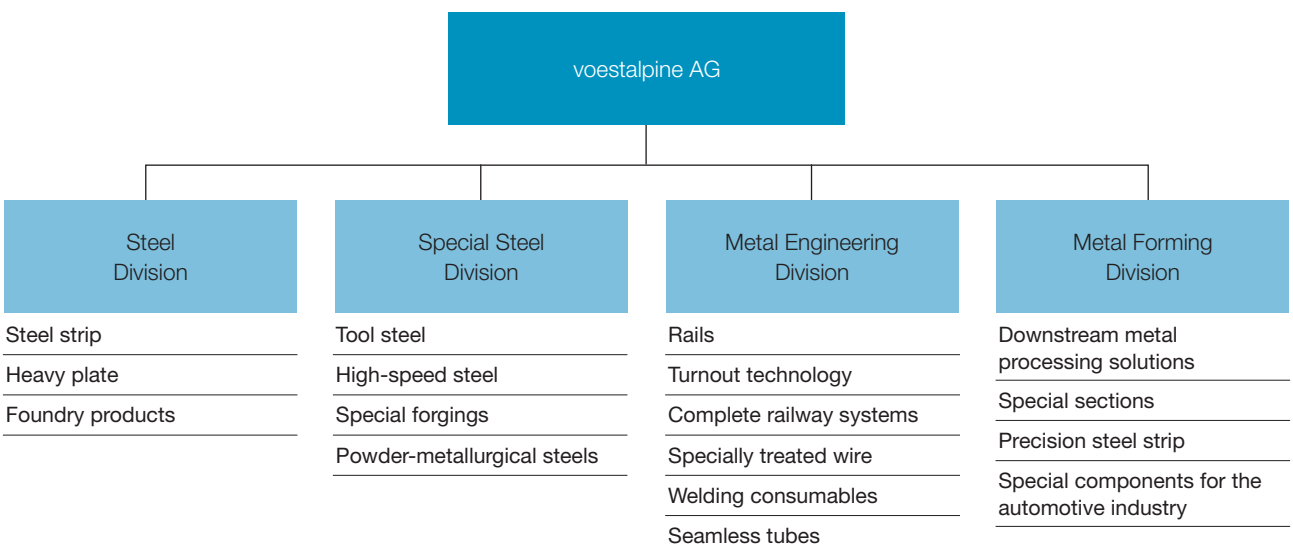
voestalpine is a group that operates worldwide; from the production of steel to the manufacturing of capital goods, it covers a wide range of the industrial value chain.

voestalpine produces and processes steel and manufactures steel parts and components for market segments that place extraordinarily high demands on the utilized materials. In addition to the automotive industry, these segments include the energy and aviation industries as well as the European and U.S. space programs.

While materials production is focused on steel, the Group has developed a broader approach in the area of downstream processing and component production and processes other metallic materials as well, such as aluminum for the automotive industry and titanium for the aviation industry.

After the strategic realignment of the Group in 2001, the focus of its growth activities was placed on processing and component production, thus initiating voestalpine's shift away from being a "classic" steel company to a technology and capital goods corporation. The organizational structure was adapted to this strategy and the Group divided into four divisions; since then, the divisions have been continuously expanded and today, they all have leading positions in their markets.

The strength of the voestalpine Group is in the interconnection and collaboration of the Group companies and the fact that the processing divisions have access to their own steel production that enables them to develop unique solutions. voestalpine views itself as the company of choice for solution concepts that involve high-tech steel and metallic high-performance materials.



2.3 Divisions

The voestalpine Group is divided into four divisions.
Their product portfolios make them leading providers in their markets.

2.3.1 Steel Division

The Steel Division is the largest business unit of voestalpine and generates about one third of the Group's revenue. In the integrated steel plant in Linz, Austria, the division produces around 5.5 million tons of crude steel per year and processes it to steel strip that is hot- and cold-rolled, electrogalvanized, hot-dip galvanized, and organically coated. Its other activities include electrical steel strip, heavy plate production, a foundry, and a number of downstream sectors, such as the Steel Service Center and pre-processing. The products of the Steel Division are mainly supplied to the European automotive and automotive supply industries, the white goods industry, the civil engineering sector, and the energy industry. In these industrial sectors, voestalpine is among Europe's leading suppliers.

Key figures of the Steel Division

Figures in millions of euros, as of: business year 2012/13

Revenue	3,921.7
EBITDA	449.8
EBITDA margin	11.5%
EBIT	218.4
EBIT margin	5.6%
Employees (FTE)	10,676

The history of the Steel Division

As part of the war preparations by the National Socialist regime, the Linz plant was established in 1938 under the name „Hermann Goering Werke" in order to produce steel for the arms industry.

During World War II, much of the work was done by Austrian and foreign forced laborers and prisoners from Nazi concentration camps. It is very important for voestalpine to deal with its history in an open and transparent manner. The Documentation Center, which was established in 2001, has been working with the Steel History Club to come to terms with this part of the past and to contribute to the public's understanding of this period by way of publications, exhibits, and a works museum.

After the end of World War II, the plant was expropriated by the Allies and reestablished as the state-owned "Vereinigte Österreichische Eisen- und Stahlwerke AG" (VÖEST) in 1946.

In the early 1950s, the LD (Linz-Donawitz) process was developed in Linz. In 1952, the first steel plant that used the LD process was commissioned in Linz. This was a groundbreaking steelmaking process and even today, more than two thirds of the steel produced worldwide is based on this process. After the investment program "Linz 2010" was decided upon in 2002, capacity was expanded by just over 50% and the production facilities were consistently upgraded to position them in the top quality segment of steel production.

2.3.2 Special Steel Division

In 2007/08, the exchange-listed Böhler-Uddeholm Group was acquired and integrated into the voestalpine Group as the Special Steel Division; it comprises special steel and materials companies that are global leaders. The division operates steel plants in Austria, Germany, Sweden, and Brazil. The division has its own global sales and service center network that provides customers with special heat and surface treatment for product optimization and supplies all of the major industrial regions worldwide.

The Special Steel Division produces high-alloy special steels, also known as high performance metals, which have specifically developed characteristics with regard to resistance to wear, grinding ability, and toughness, as well as special forgings.

The largest customer groups in the tool steel sector are the automotive and consumer goods industries. Special materials are supplied to the power plant construction industry and the oil and natural gas industries. The aviation and energy generation industries purchase mainly closed die-forged parts. The Special Steel Division is the world market leader in tool steel and special alloys. The Group is in the number two position worldwide with regard to high-speed steel and valve steel.

Key figures of the Special Steel Division

Figures in millions of euros, as of: business year 2012/13

Revenue	2,748.4
EBITDA	368.7
EBITDA margin	13.4%
EBIT	223.6
EBIT margin	8.1%
Employees (FTE)	12,721

The history of the Special Steel Division

The roots of the Special Steel Division are in the Austrian town of Kapfenberg, where a hammer mill was mentioned in official records as early as 1446. In the 19th century, the steel foundry plant in Kapfenberg belonging to the Österreichische Alpine Montan Gesellschaft passed into the possession of the Böhler brothers who were already focusing on the production of special steels.
Later, the company became the Böhler-Uddeholm Group, which went public successfully in 1995 and became the world market leader in the tool steel and special steel sectors through continued investments and global acquisitions.
In 2007/08, voestalpine AG acquired 100% of the shares of Böhler-Uddeholm AG by way of a public takeover bid.

2.3.3 Metal Engineering Division

The Metal Engineering Division integrates the voestalpine Group's operations in the rail, turnout, railway infrastructure and services, wire, seamless tube, and welding technology segments. In the railway systems segment, in addition to the ultra long, head-hardened HSH rails and ready-to-install turnout systems, it provides a complete range of service packages for railway construction, including planning, transport, logistics, and system installation. The development of its own track-based monitoring equipment, for example to monitor axle temperatures, rounds out the range of this full-service provider. In the sector of railway systems, the Metal Engineering Division is both the market and the technology leader.

Furthermore, the division produces high-quality wire, for example for the automotive industry, seamless tubes for the oil and natural gas industry as well as welding consumables. The Metal Engineering Division has its own steel production facility in Donawitz, Austria, a major advantage when developing product innovations.

Key figures of the Metal Engineering Division

Figures in millions of euros, as of: business year 2012/13

Revenue	2,913.6
EBITDA	434.6
EBITDA margin	14.9%
EBIT	319.6
EBIT margin	11.0%
Employees (FTE)	11,374

The history of the Metal Engineering Division

The roots of the present-day steel plant in Donawitz (Styria), Austria, go back to the first hammer mills that were mentioned in official records in 1436. In 1881, the iron and steel works located throughout the region were merged into the Österreichische Alpine Montangesellschaft (ÖAMG). At the end of the 19th century, Donawitz was the center of steel production and processing in the Austro-Hungarian Monarchy.

In 1939, Alpine Montangesellschaft was merged with the factories in Linz, however, after World War II, they again became separate companies. On May 22, 1953, the second LD steel plant was commissioned in Donawitz, following the Linz plant that had begun operations in 1952. In 1973, Alpine Montangesellschaft merged with VÖEST in Linz, and the name was changed to VÖEST-ALPINE AG. voestalpine Stahl Donawitz GmbH was expanded in 2000 at a cost of around EUR 165 million, becoming THE state-of-the-art compact LD steel plant worldwide.

As a result of numerous investments and acquisitions, the Metal Engineering Division became a player in all of its high-tech segments and the global market leader in the railway sector.

2.3.4 Metal Forming Division

The Metal Forming Division is a leading provider of high-quality downstream metal processing solutions in the segments of tubes and sections as well as pressed parts and components. It produces custom-tailored special and precision sections as well as welded tubes for construction applications, cab construction for commercial vehicles, and components for the aviation industry. The division supplies the automobile industry with a full range of pressed components for the body-in-white segment as well as highly innovative structural parts and safety components. The division also produces cold-rolled, special, precision thin strips and provides one-stop solutions in the segment of high-bay racking systems.

Throughout its history, none of the activities of the Metal Forming Division have been associated with steel production. The division has a high level of competence relating to all of the materials– both metallic and non-metallic–that it utilizes, for example, in aluminum forming for the automotive industry, in the forming of titanium components for the aviation industry, and in the processing of plastic and carbon fibers.

Key figures of the Metal Forming Division

Figures in millions of euros, as of: business year 2012/13

Revenue	2,310.2
EBITDA	257.6
EBITDA margin	11.1%
EBIT	167.6
EBIT margin	7.3%
Employees (FTE)	10,853

The history of the Metal Forming Division

Within the scope of the strategic realignment of the Group in 2001 and its shift to becoming a highly diversified technology Group, the Krems metallurgical plant became the Profilform Division, and the motion Division, which later became the Automotive Division, was established. When the Group's structure was streamlined in 2012, these two divisions were merged to form today's Metal Forming Division. Processing operations were reorganized and bundled and extensively expanded through investments and acquisitions.

3. How voestalpine defines sustainability

Steel plays an important role in all areas of human life: people are surrounded on a daily basis by products that are either made completely of steel or that have a steel core. Around 1,500 million tons of steel are produced and processed annually worldwide, with 7.5 million tons thereof produced by voestalpine.

The material steel not only has a wealth of applications but has high potential in the area of sustainability–with complete recyclability being its greatest strength. Steel production is resource-intensive, and its specific processes impact the environment: high levels of emissions, large amounts of waste, and sometimes high water consumption. voestalpine actively endeavors to prevent and minimize these environmental impacts by developing and using processes that conserve resources, implementing measures to manage waste, and adopting active climate protection policies.

Steel production is also very labor-intensive. As is the case in all areas of heavy industry, it is characterized by a great deal of shift work and a workforce that has a high percentage of male workers. voestalpine takes its social responsibility very seriously by implementing comprehensive safety measures, maintaining a Group-wide health management system, and offering diverse opportunities for training and continuing education; it also provides programs to stimulate the interest of women in technical professions. For years, voestalpine has had a generation management program that responds actively to the changing demographic situation in society.

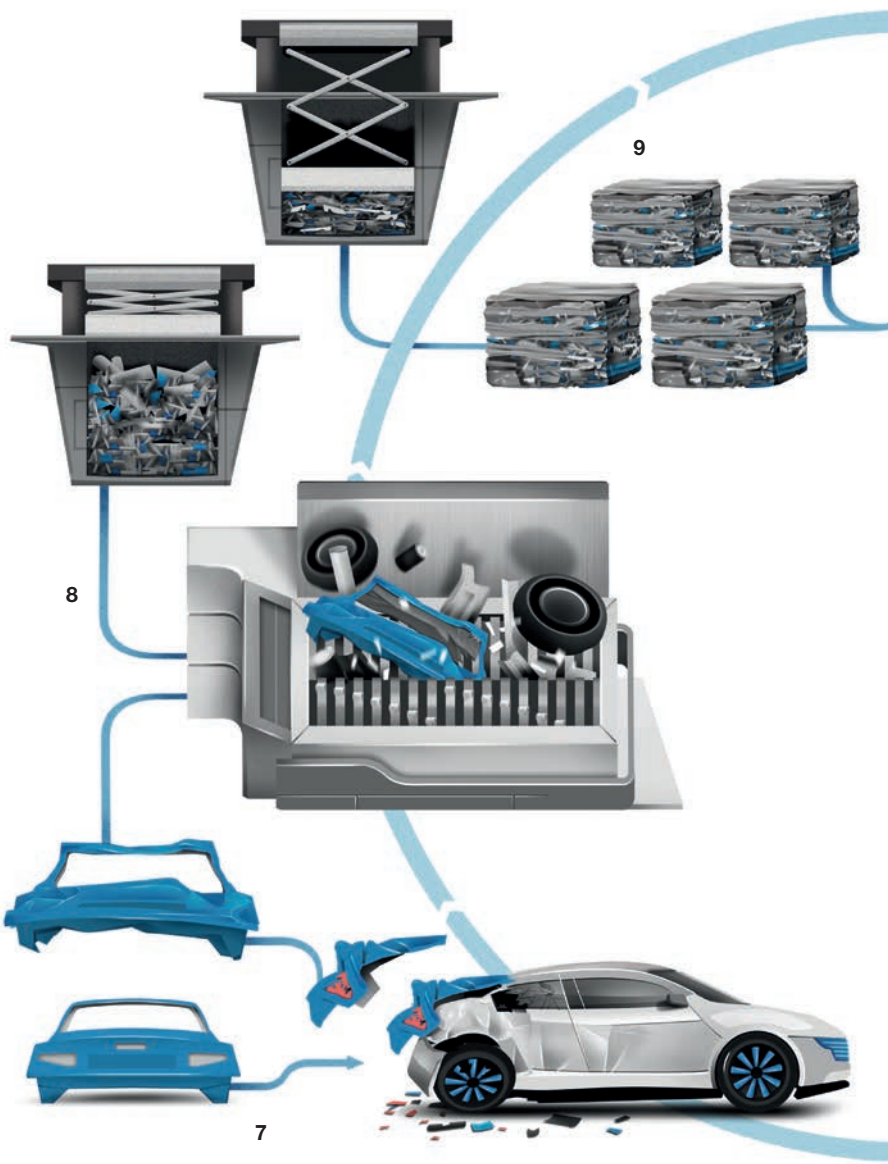
voestalpine‘s products and services are needed in a host of applications in daily lives. The company is taking product responsibility seriously by expediting the development of products and solutions that further safe mobility and alternative energies. Within the scope of international bodies, voestalpine is actively working on standards for recycling and life cycle assessments. voestalpine is researching products that indirectly reduce CO_2; the material steel is definitively part of the solution to carbon issues.

All of the sustainability measures voestalpine implements must take the company’s economic success into consideration. Sustainable action begets business success, and voestalpine is prepared to bear short-term burdens to achieve its goal. What the company does not accept, however, are political policies–whether on the national, the EU, or the international level–that distort fair competition and dramatically threaten the competitiveness of the products manufactured at the Group‘s main sites in Austria and Western Europe. It is because voestalpine takes its social responsibility seriously that is actively fighting for good framework conditions that will help preserve jobs in those regions where people have been melting steel for 600 years.

Martin Lagler, Metal technology/Civil engineering technology, second-year apprentice

3.1 Steel cycle

Steel is 100 percent recyclable and can be recycled an infinite number of times, enabling it to have many lives instead of just one.



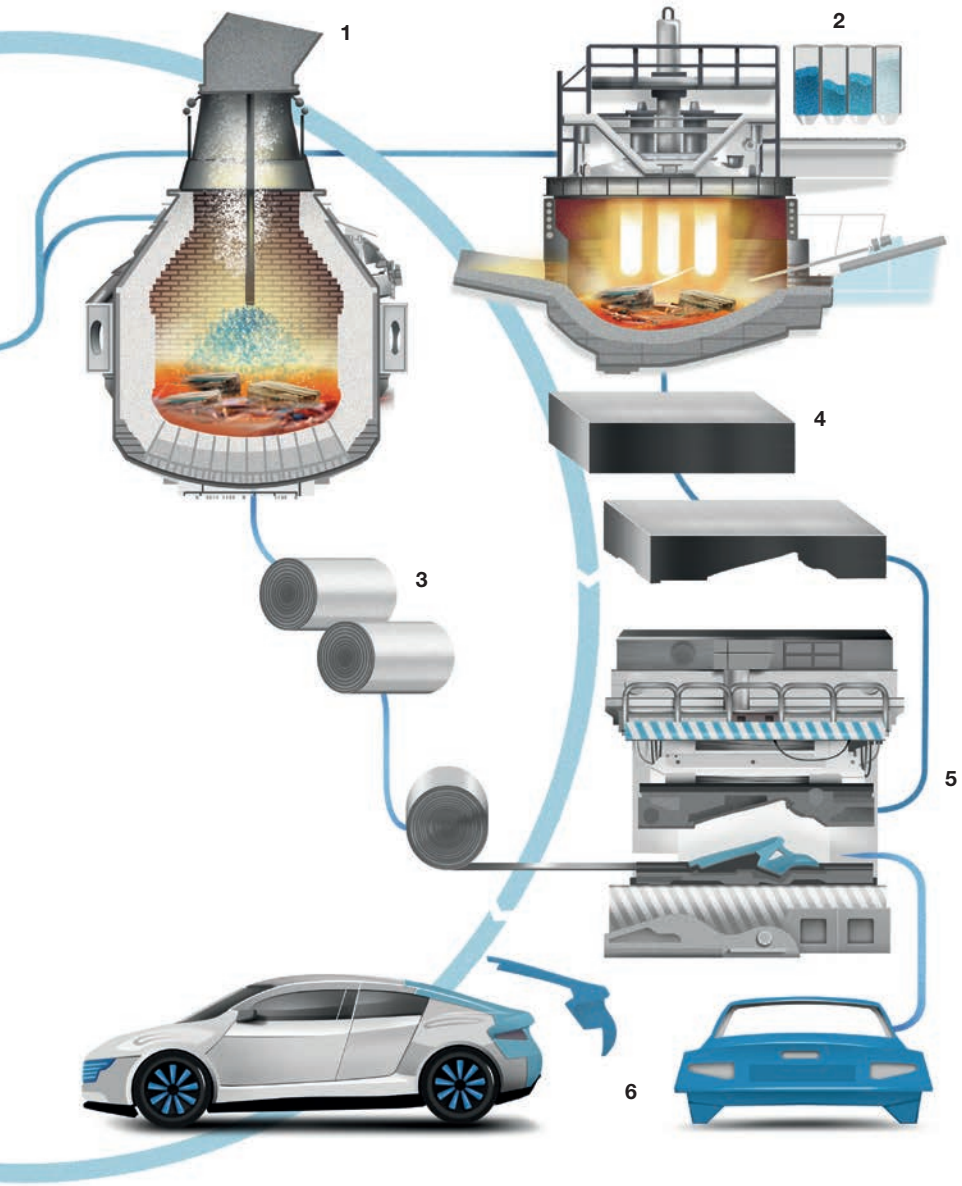


Illustration: Rafael Varona

1 Steel works: steel
Roughly 250 kg of scrap are used in the production of one ton of crude steel.

2 Steel works: special steel
Single tapping in the steel mill contains 60 tons of tool steel.

3 Coils

4 Special steel block: tool steel
It takes 1,500 different tools to produce a new car model.

5 Pressing plant
About 30 kg of flat steel is needed for one tailgate.

6 Tailgate
One tailgate is split over about ten different pressed parts.

7 Spare part: tailgate
Production of components for the latest car models as well as spare parts for the next 10 to 15 years.

8 Recycling/crushing: tool steel
Those machines have 50 to 100 special steel knives depending on the product.

9 Scrap cube

3.2 Conservation of resources

Careful use of resources is an important issue for voestalpine both from an economic and an ecological standpoint.

First of all, the primary raw materials that are used (especially ore, metals, and fossil fuel) are finite and secondly, they are subject to major price fluctuations on the world market. Therefore, voestalpine aims to reduce raw materials use, using resources cyclically, or recycling by-products and waste. Additionally, steel has the great advantage that, after being used, it can be recycled back into the production process in the form of scrap: today, steel is the most recycled material worldwide.

Ongoing optimization of processes in the voestalpine production facilities increases material efficiency and helps to find new and better recycling opportunities for by-products and waste. In order to make these efforts to conserve resources economically sustainable, it is necessary to have proper statutory framework conditions. voestalpine is committed to ensuring that recyclable materials get preferential treatment, that recycling-friendly design of products is a basic requirement of admission to the market, that life cycle considerations are an important part of the selection process of products and materials, and that the use of secondary raw materials (by-products) is simplified.

Life cycle assessment (LCA)

Today, the assessment of the environmental impact of a material cannot be limited to its production. Rather, life cycle assessment focuses on the entire product life cycle–from production to the utilization phase, and finally, to disposal or recycling of the product. This approach shifts away from a selective assessment of the social, economic, and ecological impacts of a product to an objective one.

In the steel industry, the LCA approach has a particularly high priority as it is helpful in finding a holistic view and balanced, sustainable solutions. LCA contributes to the optimization of material flows, thus improving the conservation of raw materials and advancing recycling efforts. Finally, LCA supports the development and improvement of products and processes at all points of the value chain. voestalpine has nominated a team that is specifically targeting this topic in order to advance the Group's LCA strategy. For voestalpine, being active in the LCA approach means advancement of a sustainable, ecological process management, identification of optimization potential, optimum utilization of by-products in the material cycle in order to conserve valuable primary raw materials, and the development of products that are durable and recyclable.

Beyond the confines of the company, voestalpine is a competent partner for all customers with regard to all issues associated with LCA.

voestalpine has committed itself to the LCA Policy Statement of the World Steel Association.
www.worldsteel.com

3.3 Climate protection

As an industrial group that operates worldwide, voestalpine is acutely aware of its responsibility regarding climate protection, an issue that the company is vigorously confronting.

Besides aiming to reduce emissions in its own production processes by recycling steel or undertaking measures to achieve greater energy efficiency, the company also sees possibilities for action by raising awareness regarding LCA throughout the entire product life cycle. The savings potential achieved through the use of steel is higher than the emissions resulting from steel production itself. Therefore, the availability of numerous highly developed steel qualities makes a major contribution to climate protection and the conservation of resources. Many examples from R&D activities can be found in the "Research and Development" chapter of this report.

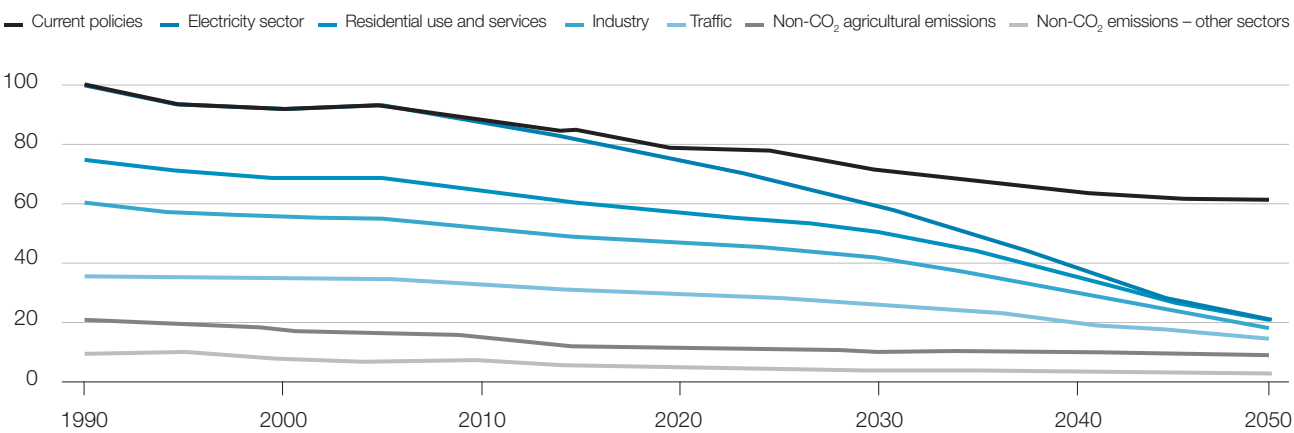
voestalpine is critical of the central idea behind the European climate policy expressed in the "2050 Roadmaps," namely pricing CO_2 by way of emission certificates. The company's viewpoint is that the climate goals cannot be achieved with the measures that are currently being recommended. Instead of intervening in existing emissions trading as a way to monitor and control the price of CO_2, voestalpine recommends pursuing a political course that enables a technology-oriented climate policy for the material-producing industry after 2020.

Such a policy would regulate the industry as far as emissions are concerned by way of technology-based emission levels, support investments in and the development of technology, and spur the use of recyclable materials and recycling-friendly design.

Decrease of greenhouse gas emissions in the EU by 80 % (1990=100 %)

in percent

Source: European Commission, Brussels 2011, COM (2011) 112 final
Roadmap to a competitive low-carbon economy by 2050



4. voestalpine's first Corporate Responsibility Report

This is the first sustainability report of voestalpine AG.
The report contains information about the key activities with regard to sustainability and what has already been undertaken.

At voestalpine, activities associated with the company's sustainability approach have long been established in the areas of the environment, society, employees, and economy. Many individual projects have received awards and have garnered recognition and approval from peers. With this report, the company would like to show what has already been achieved and what the goals with regard to corporate responsibility are.

Report parameters

All the information provided refers to the entire Group. When compiling the environmental performance indicators, all voestalpine Group production companies in which voestalpine has a stake greater than 50 %, i.e., companies that process, convert, or treat a product, were included. This simplification enables a Group-wide presentation without compromising data quality. Sustainability impacts along the value chain that occur outside of voestalpine's premises and beyond its direct sphere of influence are only partially addressed in this report.

Reporting period

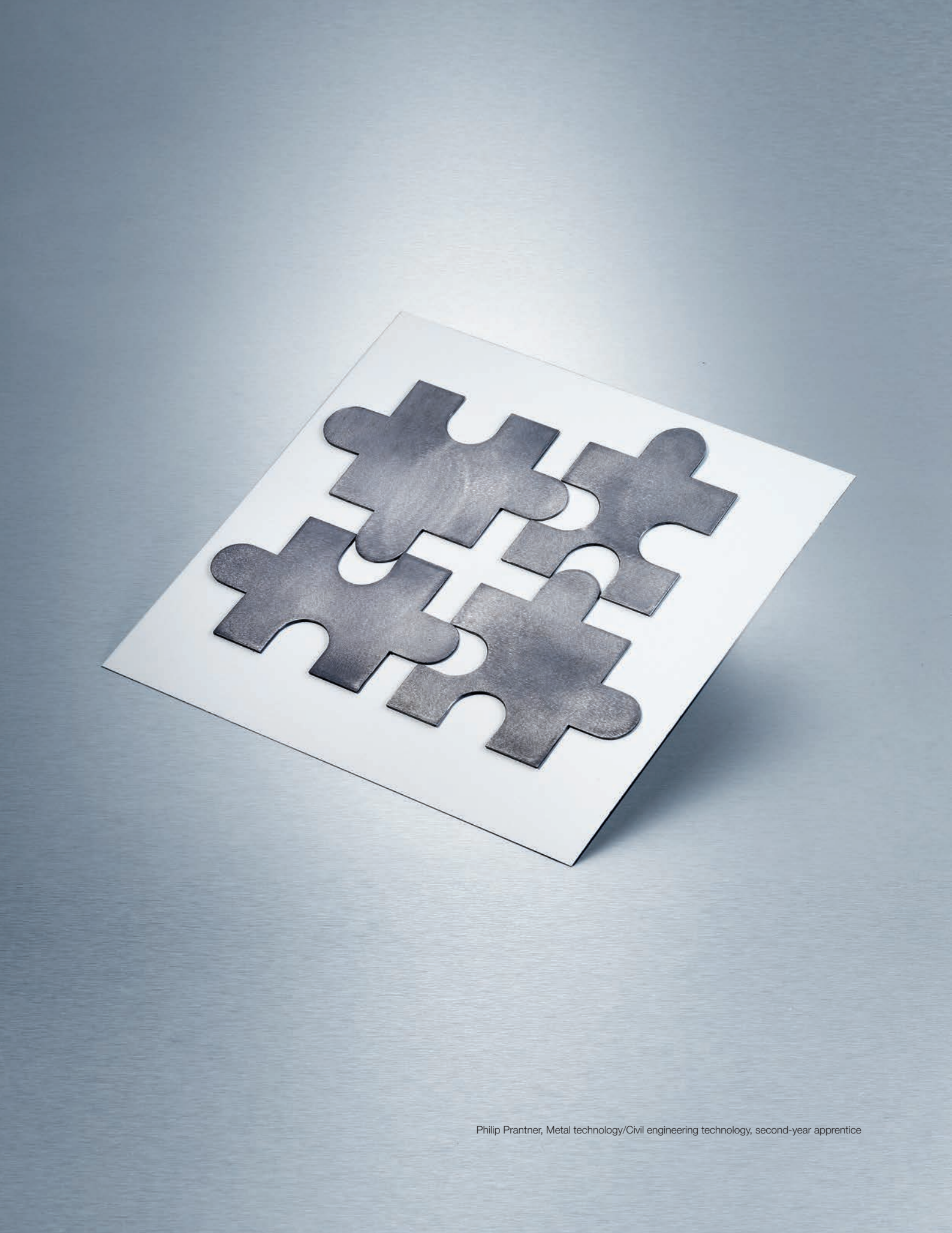
The voestalpine business year is from April 1 to March 31. The business year is the parameter for the depiction of the economic key figures and employee data; the reporting period for the economic key figures and employee data comprises the last five business years. As much of the environmental data must be reported to public agencies on a regular basis, they are compiled for the calendar year and are also quoted as such in this report. The reporting period for environmental data comprises the last five calendar years.

The significant deviations of the figures listed for 2009 are due to the global economic crisis and the associated temporary decline in the Group's production.

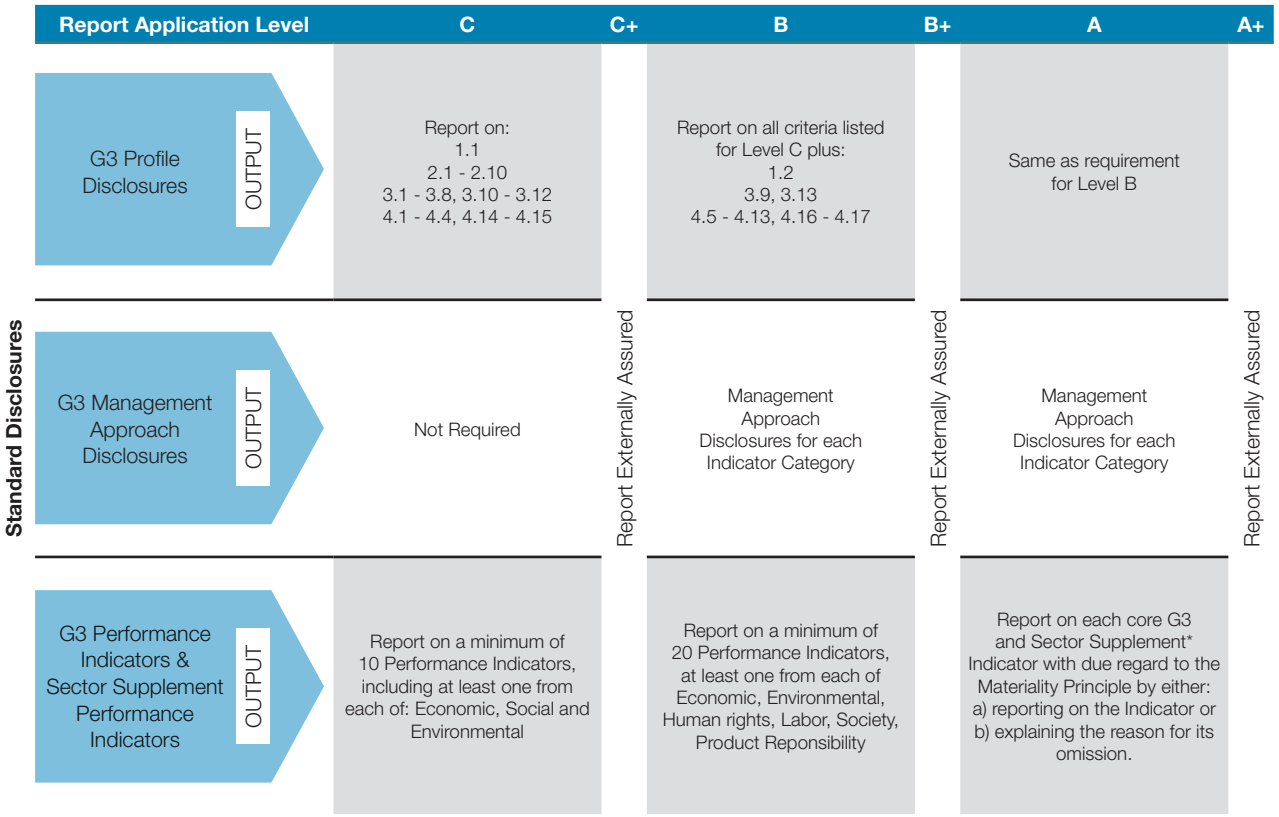
In the future, voestalpine plans to publish a sustainability report every two years with a two-year reporting period in order to ensure seamless reporting of sustainability performance.

Standard

In accordance with voestalpine's internal assessment, the present Corporate Responsibility Report meets the requirements of GRI Application Level C (version G3.0).
The Global Reporting Initiative (GRI) was launched in 1997 and has established itself as the standard for the preparation of sustainability reports.



Philip Prantner, Metal technology/Civil engineering technology, second-year apprentice



*Sector supplement in final version

4.1 voestalpine Corporate Responsibility Steering Committee

voestalpine has taken its ecological and social responsibility very seriously for many years. In the past, many of the goals and measures have already been in line with the principles of sustainable corporate management.

In mid-2011, the Management Board decided to systematically coordinate and measure these activities. To this end, Corporate Responsibility (CR) was established at the Group level as a management approach. The fall of 2011 saw the CR management launch event, which was presided over by Dr. Wolfgang Eder, Chairman of the Management Board. At the same time, a Corporate Responsibility Steering Committee was established, in which the Environment, Research and Development, Legal, Compliance, Communications, Human Resources, International Business Relations, and Investor Relations Departments are represented by the respective heads of the respective units. Furthermore, the function of a Corporate Responsibility Manager was established as the contact person for all members of the Steering Committee. The responsibility of the Steering Committee is to bundle the various CR measures and guide them in a joint direction and to ensure that CR communications are well-structured.

4.2 Communication with stakeholders

During its workshops, the Corporate Responsibility Steering Committee has defined voestalpine's most important stakeholders.

These include, for example, employees, competitors, customers, suppliers, investors, analysts, public agencies, and NGOs (see graphic). Stakeholders are those groups of persons who are impacted directly or indirectly by the company's activities and which, therefore, have a justified interest in these activities.

voestalpine is in regular contact with many of its stakeholders. For example, discussions with local communities, representatives of public agencies and associations, and other organizations are part of daily business for the responsible departments.

Communication with other stakeholder groups is structured and takes place in regular intervals, as described below.

4.2.1 Employees

Worldwide, more than 46,000 employees are working for voestalpine in around 500 companies on five continents. They represent a central stakeholder group of the Group.

Employee survey

Every three years, voestalpine employees participate in a survey about their job satisfaction and also their commitment. The last survey took place in October 2013. It included 42,000 persons in 21 countries and was conducted in 13 languages. The employees were informed of the results of the surveys. Points of criticism, suggestions, and proposed improvements were gathered and implemented to the extent possible.

Direct communication with members of the Management Board

In regular intervals, members of the Management Board hold discussions with employees at production sites throughout the entire Group. The topics range from ongoing projects and new economic developments to occupational safety.

Steel Evening

The so-called Steel Evenings take place once a month in Linz. Various topics are discussed at these events, ranging from occupational safety and employee health to environmentally-friendly and innovative products. Interested employees can dialogue with the speakers (members of the Management Board and executives), ask questions, and participate in discussions.

4.2.2 Investors

As equity holders and opinion leaders on the capital markets, investors and analysts are important dialogue partners for an exchange-listed company such as voestalpine. The CEO, the other members of the Management Board, and the Investor Relations Department are constantly engaging in a dialogue with these stakeholders, for example, at investor conferences, road shows, or during plant tours. At regular intervals, voestalpine holds a "Capital Markets Day" in order to provide concentrated information to analysts and investors about the newest developments and trends. voestalpine also offers this target group special tours through production facilities and product presentations.
voestalpine also informs private shareholders within the scope of numerous events, particularly at the Annual General Meeting, but also during plant tours, informational events, and investor fairs, such as the "Gewinn" trade fair or "Money World."

In addition to personal contacts, the company informs institutional investors and private shareholders by way of quarterly reports and the Annual Report, which can be downloaded from the voestalpine website.

4.2.3 Customers and suppliers

voestalpine is in an ongoing dialogue with its customers and suppliers. In addition to communications required by day-to-day business, these stakeholder groups are integrated into the research-and-development network. voestalpine is also in a continuing dialogue with customers in order to be able to recognize their needs and requirements early on.

This enables the company to develop products that not only fulfill customers' requirements but surpass them. voestalpine takes advantage of its dialogue with customers and suppliers to frequently emphasize the importance of its Code of Conduct and to acquaint them with the company's requirements with regard to human rights and compliance (see chapter "Ethical corporate management").

4.2.4 Advocacy and special interest groups, platforms, and networks

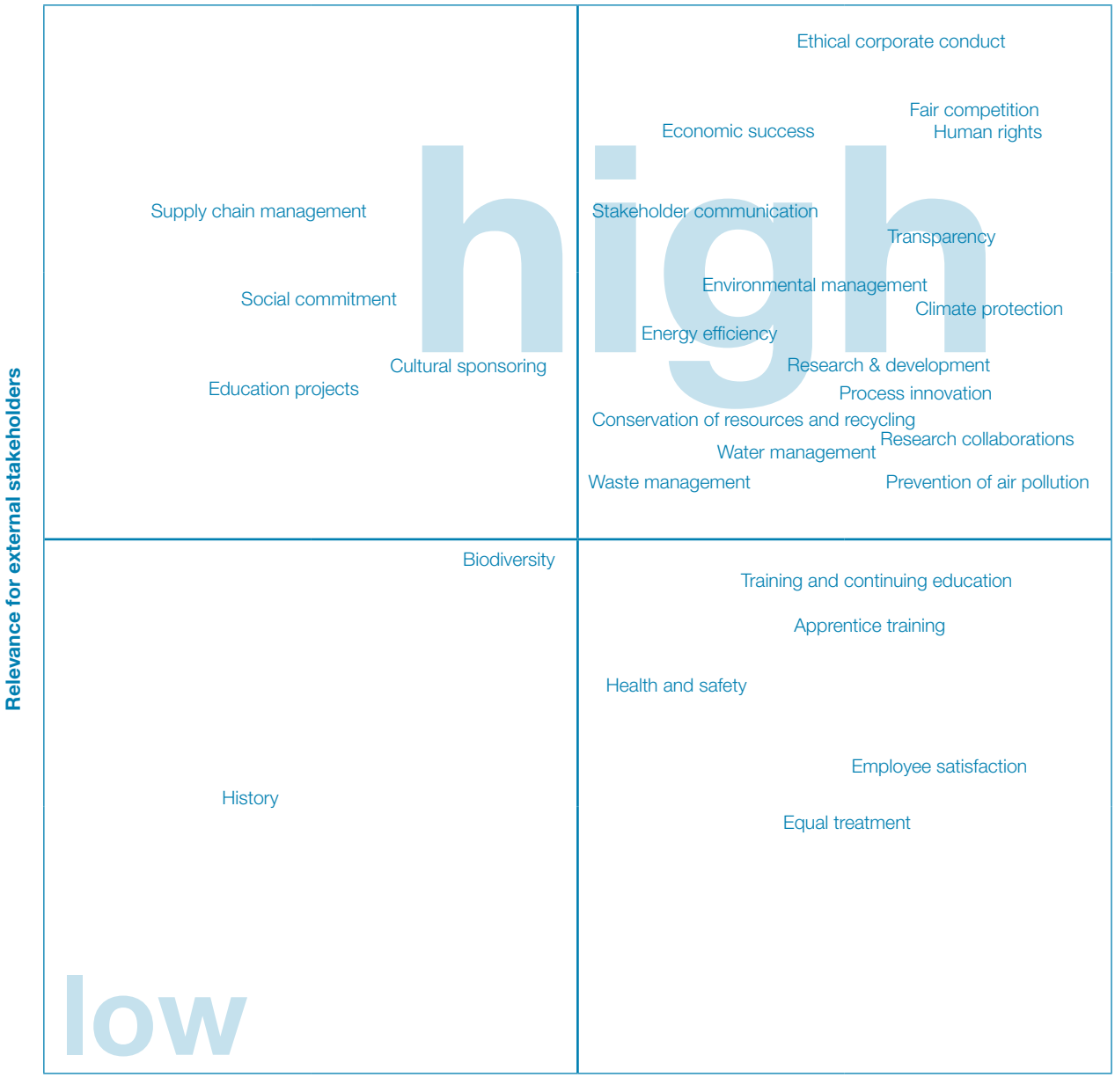
voestalpine is a member of numerous industrial and professional associations, such as, the World Steel Association, EUROFER, the German Steel Institute (VDEh), ASMET (Austrian Society for Metallurgy and Materials), the Austrian Chamber of Commerce, and the Federation of Austrian Industries. It is active in these associations and bodies in order to actively support joint objectives and to ensure that the positions and the expertise of voestalpine are heard during legislative proceedings that are relevant for the company.

voestalpine is a regular participant in the preparation of the sustainability report of the World Steel Association. The steelmaking companies who participate in the annual preparation of this report, provide current data on sustainability indicators.

voestalpine is committed to engaging in a transparent dialogue on topics relating to sustainability and takes issues relevant to both institutions and private individuals very seriously. Therefore, the company is open to all queries. Contact information for the relevant contact persons is available on p.88 and at: www.voestalpine.com

4.3 voestalpine's materiality matrix

Both voestalpine management and the CR Steering Committee cultivate an intensive dialogue with everyone in the company who is in contact with stakeholders.
Headed by the reporting team, a matrix of the relevant CR topics was generated using an analysis of these contacts and of the described stakeholder communication. This materiality matrix provided the focal points for this report. A systematization of stakeholder communications is planned in the future; this will also include preparation of the matrix as a direct participatory process.



5. Ethical corporate management

The main objective of ethical corporate management is corporate governance that is geared to creating sustainable, long-term value and to ensuring that the conduct of all employees of the Group complies with statutory provisions and internal guidelines as well as fundamental moral and ethical values.

5.1 Compliance

voestalpine requires that all of its companies and its employees in all countries, where voestalpine operates, comply with all laws. This is explicitly stated in the Code of Conduct. voestalpine likewise requires that its suppliers fully comply with all applicable laws in their respective countries. This regulation also applies to international sanctions or sanctions imposed by the European Union. For voestalpine, however, compliance is more than merely acting in accordance with the laws. It is the expression of a corporate culture built on ethical and moral principles.

Since December 2011, voestalpine has no longer supplied products to Syria and Iran (existing contracts are still being fulfilled until they expire). Prior to December 2011, only those products were supplied to these countries that did not fall under the UN sanctions.

5.1.1 Code of Conduct

The voestalpine Code of Conduct was set forth in written form in 2009. It is based on the Group's corporate values and provides the foundation for ethically and legally sound conduct by all of the Group's employees. The Code of Conduct is also directed to voestalpine customers, suppliers, and other business partners.

The Code of Conduct is available in German, English, and eleven additional languages and can be downloaded from the company website: http://www.voestalpine.com/group/en/group/compliance/

The Code of Conduct covers the following areas:

- Compliance with laws and other external and internal regulations
- Fair competition
- Corruption, bribery, and acceptance of gifts
- Respect and integrity
- Conflicts of interest
- Handling of corporate information/confidentiality
- Corporate communications
- Use of the Internet and IT
- Insider information
- Reporting of misconduct

Markus Süß, Metal technology/Civil engineering technology, second-year apprentice

The Code of Conduct is binding for all members of the Management Board, managing directors, and employees of all companies in which voestalpine AG has a direct or indirect stake of at least 50% or which it controls in any other way. With regard to all other companies, in which voestalpine AG has a direct or indirect stake of at least 25%, but which it does not control, the Code of Conduct is brought to their attention and they are requested to enforce it by way of independent recognition thereof by their decision-making bodies that are governed by corporate law. In the event of a violation against statutory provisions, internal guidelines, regulations, and directives or against provisions of the voestalpine Code of Conduct, employees will be subject to disciplinary measures. Furthermore, violations can have consequences under criminal and/or civil law, e.g., recourse claims and claims for compensatory damages.

voestalpine is pursuing the goal of having the Code of Conduct applied throughout its sphere of influence. Suppliers and consultants are required to comply with the 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. All of voestalpine's business partners are also requested to promote compliance with the Code of Conduct among their own business partners along the entire supply chain.

voestalpine AG has adopted the following Group guidelines to serve as a helpful tool in applying the Code of Conduct:

Business conduct

This guideline is an expansion and concretization of the Code of Conduct with regard to the subjects of corruption/bribery/acceptance of gifts and conflicts of interest and regulate, for example, permissibility of gifts, invitations and other benefits, donations, sponsoring, ancillary activities, and the private purchase of goods and services by employees of customers and suppliers.

Dealings with business intermediaries/brokers and consultants

This guideline is an expansion and concretization of the Code of Conduct with regard to the subjects of corruption/bribery/acceptance of gifts. They define the procedure to be complied with prior to contracting or engaging sales representatives, representatives, or other sales consultants. An objective analysis of the prospective business partner's business environment and scope of activities prior to establishing business relations is required to ensure that the business partner can comply with all applicable laws and the voestalpine Code of Conduct.

As is the case with the Code of Conduct, these guidelines also apply to all members of the Management Board, managing directors, and employees of the voestalpine Group as defined above.

5.1.2 Human rights

voestalpine is committed to respecting and upholding human rights throughout the Group; should any violations occur in this regard, Group management would react promptly. All voestalpine suppliers must sign the Code of Conduct for Business Partners, which stipulates respecting and upholding human rights as mandatory. Customers are also strongly requested to respect and uphold human rights.

Child and forced labor

Child and forced labor are not tolerated. There are no known cases of child labor or forced/compulsory labor across the Group. The Code of Conduct for Business Partners obliges suppliers explicitly to comply with the prohibition of child and forced labor.

Rights of indigenous peoples

voestalpine and its facilities operate solely in developed industrial regions; therefore, the rights of aboriginal peoples are not restricted in any way by voestalpine's business operations.

Human rights training

Worldwide security personnel attached to plant security services is comprised largely of voestalpine employees. All of these employees receive training regarding compliance with human rights. Security personnel that is provided by external contractors must commit to compliance with the Code of Conduct and therefore to compliance with human rights. The respective employers of this security personnel are responsible for their training.

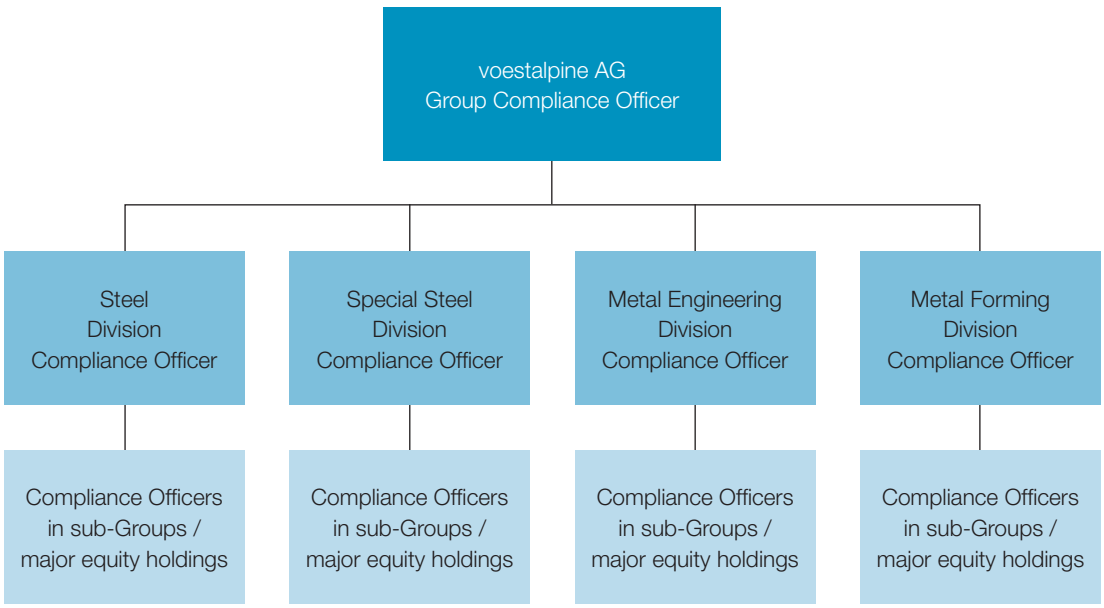
Collective bargaining and the right to freedom of association

Collective agreements are applied in all employment agreements in countries where such agreements exist. Around 80 % of the voestalpine workforce is in an employment relationship that is regulated by a collective agreement. At all voestalpine locations, each employee has the fundamental right and freedom to become a member of a union; works councils can be set up at all voestalpine locations. There is a Group Works Council and a European Works Council in the voestalpine Group. Traditionally, the voestalpine management places great value on maintaining a good basis for communication with the unions and the members of the Works Councils.

5.1.3 Compliance system

The management of the respective Group company is responsible for adherence to the compliance regulations. A compliance system was put in place in the voestalpine Group during the business year 2011/12 to support management in meeting this responsibility and to set up the necessary processes.
In addition to a Group compliance officer, a compliance officer was appointed in each division; furthermore, additional compliance officers were appointed in certain divisional sub-units.

The Group compliance officer reports directly to the Chairman of the Management Board and is independent and not bound by directives. The divisional compliance officers report to the Group compliance officer and to the respective heads of the divisions.



The compliance officers are responsible for the following areas:

- Antitrust law
- Corruption
- Capital market compliance
- Fraud (internal cases of theft, fraud, embezzlement, or breach of trust)
- Conflicts of interest
- Special issues that are assigned to the compliance officers by the Management Board of voestalpine AG (e.g., in connection with UN or EU sanctions)

All other compliance issues, e.g., environmental law, taxes, accounting, labor law, protection of employees, or data protection and privacy are not part of the compliance officer's area of responsibility. These compliance issues are handled by the respective specialist departments.

Preventive measures

Within the scope of its compliance efforts, voestalpine places particular importance on preventive measures, including training and communication. Since 2002, managing directors, sales personnel, and other employees have undergone face-to-face training with regard to antitrust law.
In 2009, more than 4,500 voestalpine Group employees received training on this issue in e-learning courses; in 2012, the same employees completed a refresher course. Additionally, in the business year 2012/13, an online course on the Code of Conduct was rolled out Group-wide. This training focused on compliance with the law and internal guidelines as well as corruption and antitrust law. Around 18,000 employees have participated in this training.

Compliance training is mandatory for young executives: there are six to seven training sessions each year for around 20 employees.
In addition to e-learning courses, there is also face-to-face instruction on the issues of antitrust law and corruption, especially for sales employees. Face-to-face training is also provided for capital market compliance issues, primarily for voestalpine AG employees.

Furthermore, compliance is a regular topic in Group communications and is often mentioned–including by top management–at major employee events at both the Group and the divisional level.

Reporting of compliance violations

Reports of compliance violations should be primarily made openly, that is, providing the whistleblower's name. According to the Code of Conduct, such reports can be made to the direct supervisor, the appropriate legal or HR department, management of the respective Group company, the audit department of voestalpine AG, or one of the Group's compliance offices. Upon request, whistleblowers are ensured of absolute confidentiality.

In 2012, a web-based whistleblower system was launched that enables employees to file anonymous reports about violations. Reports using this system can be made in the areas of antitrust law, corruption, fraud, and conflicts of interest, in other words, only reports on these issues are processed through this system. The system enables compliance officers to communicate with whistleblowers while maintaining absolute anonymity.

5.2 Corporate Governance

The Management Board and the Supervisory Board of voestalpine AG recognized the Austrian Corporate Governance Code in 2003 and have also implemented all the amendments introduced since that date.

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 Austrian Corporate Governance Code provides Austrian stock corporations with a framework for management and monitoring of 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. The last amendment was made in July 2012. The Code achieves validity when companies voluntarily undertake to adhere to it.

The Code aims to establish a system of management and control of companies and groups that is responsible and geared to creating sustainable, long-term value. By voluntarily undertaking to adhere to the Code, voestalpine backs these objectives and commits to providing a high degree of transparency for all of 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. Furthermore, the quarterly reports and the Annual Report of voestalpine AG list any pending proceedings (e.g., antitrust proceedings).

Antitrust proceedings relative to railway superstructure material

In the antitrust proceedings relative to railway superstructure material, in early July, the German Federal Cartel Office (Bundeskartellamt) imposed fines totaling EUR 124.5 million on four manufacturers and suppliers of rails for having entered into anti-competitive agreements to the detriment of Deutsche Bahn AG. EUR 8.5 million of these fines were levied against companies belonging to the voestalpine Group.

This means that the German Federal Cartel Office has thus confirmed voestalpine's status of cooperating witness for the major part of the proceedings and the comparatively small fine concerns marginal segments only. Therefore, the antitrust proceedings involving for the most part Deutsche Bahn have now been resolved. At a later date, the German Federal Cartel Office will examine the deliveries of railway superstructure material to regional and local customers. From today's perspective, it is still too early to estimate when we can count on a final decision regarding these additional issues.
After very intensive negotiations with Deutsche Bahn, in late April 2013, we succeeded in reaching an agreement with regard to payment of compensation for damages for direct deliveries made under the rail cartel; it was agreed to keep the details regarding the actual amount confidential. This means that the first – and large – portion of the antitrust proceedings has now been concluded for voestalpine AG. Furthermore, this should enable us to restore the foundation for a continuing long-term, stable collaboration with Deutsche Bahn.

The provisions created for the antitrust proceedings and associated actions and costs as well as for the closure of TSTG Schienentechnik GmbH & Co KG in the annual financial statements 2011/12 in the amount of EUR 205.0 million are still considered to be appropriate in view of the current estimate of EUR 204.4 million.

Additional information about the Austrian Corporate Governance Code is available at: http://www.corporate-governance.at/

6. Research and development

Research and development (R&D) is a core element of voestalpine's sustainable business strategy. The Group's R&D activities focuse on solutions in the areas of energy efficiency, mobility, cost reduction, and raw materials efficiency.

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 long-term. Innovations ensure the survival of our company.

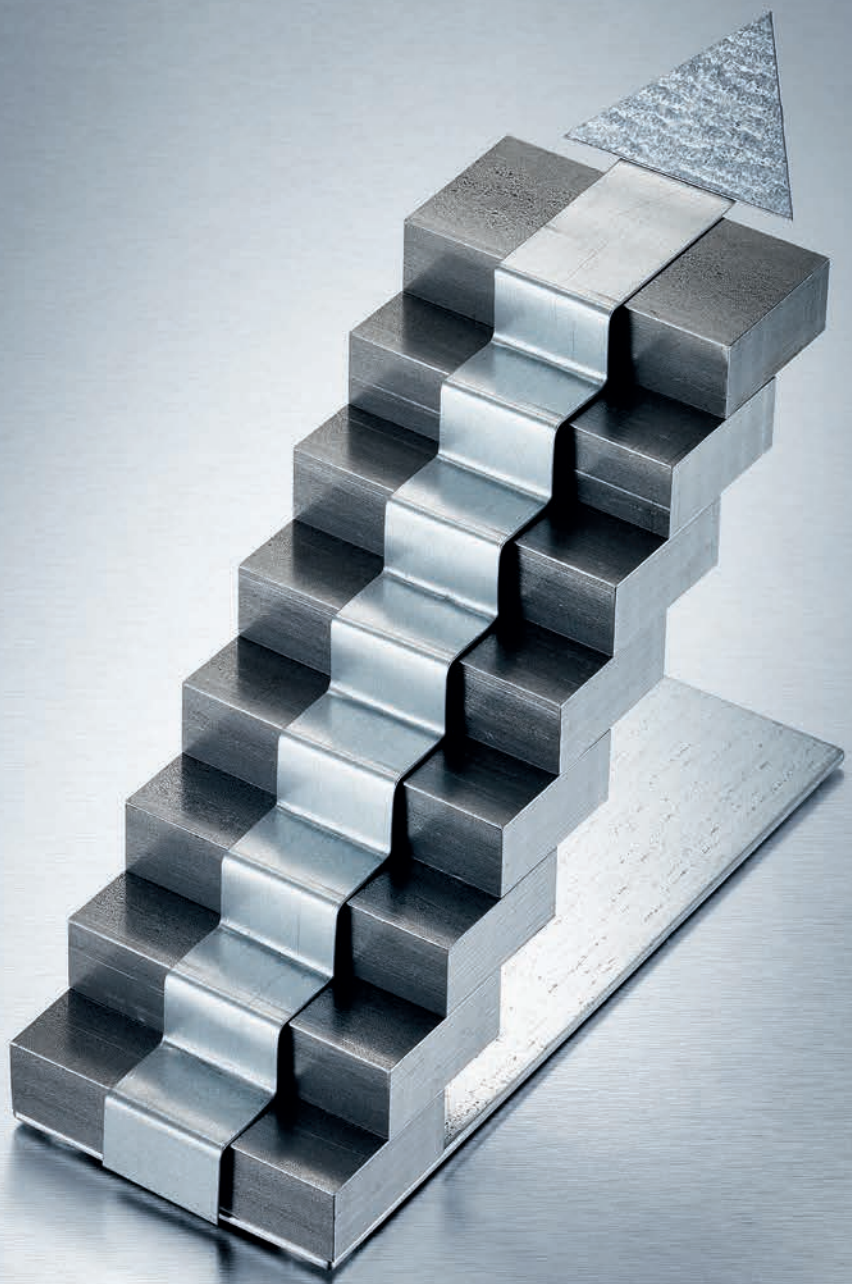
By maintaining and expanding voestalpine's technology leadership and utilizing synergy opportunities and cost savings, R&D makes an essential contribution to the sustainable success of the company. R&D maintains open communication both within the unit and vis-à-vis internal and external customers. Customers, suppliers, universities, cooperative research facilities, and–for certain projects–even competitors are integrated into the voestalpine R&D network.

R&D activities contribute to sustainability by optimizing or developing products and processes that conserve resources. Cost savings can be achieved by way of decreased use of primary energy and raw materials or substituting residual or recycled materials for raw materials and even going as far as a zero waste process. Another focal point is research activities aimed at increasing energy and raw materials efficiency and an even greater decrease in emissions.

voestalpine views its ecological responsibility as not being limited to production processes but as a holistic approach as offered by the life cycle assessment model, namely, of assessing the impact of products over their entire life cycle–from raw materials to production and, finally, recycling. By developing new steel grades and improving existing ones on an ongoing basis, the voestalpine Group is striving to achieve a sustainable increase in energy efficiency and greater longevity of the finished products.

Customer priorities with regard to R&D activities are lightweight automobile construction, where further development of materials enables substantially lower carbon emissions due to the significant reduction in weight; construction of rails and turnouts that offer increased longevity and safety; and the energy sector, where products developed by voestalpine improve the effectiveness of conventional facilities and contribute to the expansion of alternative energies.

The voestalpine Group currently has around 150 R&D cooperation projects in 21 countries. The company works with 36 universities, 35 university research facilities, ten competence centers, and twelve Christian Doppler Laboratories.
Scientists profit from these partnerships as they enable them to distinguish themselves in their specialist areas, and voestalpine profits from them as well, as expertise from fundamental research is useful for industrial applications.



Alexander Lang, Metal technology/Civil engineering technology, second-year apprentice

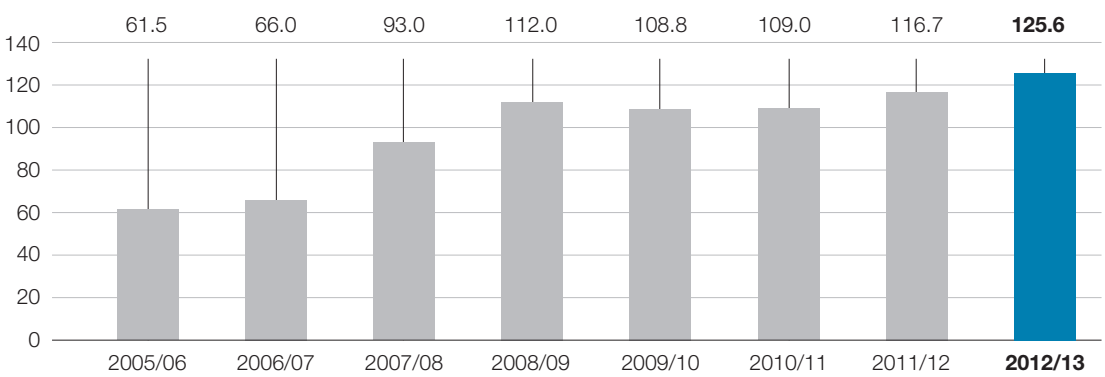
6.1 Research expenses in the voestalpine Group

In recent years, research expenses have been rising continuously; in the business year 2012/13, they reached a record level of EUR 125.6 million.

voestalpine's expenditures for research and development have remained at a very high level, despite the difficult economic environment. Despite economic crises and cost-cutting programs, expenditures for this key sector have risen on average by 11 percent every year for the past decade. According to EU statistics, voestalpine not only spends more money on research and development than any other Austrian company, but it is among those high-leverage innovators that have a higher-than-average innovative output due to efficient use of resources and funds.

Gross R&D expenses (without R&D capital investments)

per business year, in millions of euros

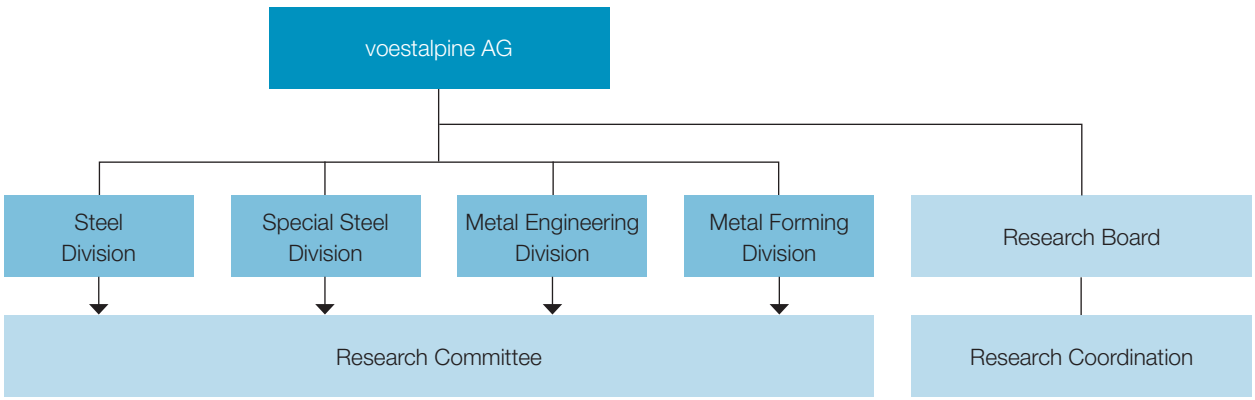


6.2 Organization

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

65% of all Group companies have their own research and development departments. At the Group level, the persons responsible for R&D within the individual divisions are networked by way of a Research Committee and the "Synergy Platforms," Group-wide researcher meetings that take place on a regular basis. Communication with the Management Board is conducted through the Research Board that meets twice a year.

voestalpine participates in various consortia in order to find solutions to various issues involving process and product development. It is represented in all steel-related professional associations and bodies both in Europe (e.g., EUROFER, German Steel Institute – VDEh) and worldwide (e.g., World Steel Association). As an active member of ESTEP (European Steel Technology Platform), voestalpine is a participant in all of its working groups in order to play a role in the environmentally-friendly and sustainable development of steel production. Within the scope of its membership in EUROFER, voestalpine is working on the issue of energy efficiency.



6.3 Resource-conserving and environmentally-friendly processes and facilities

voestalpine has actively assumed its responsibility as a Group that operates worldwide and is driving forward research for production processes that both conserve resources and are environmentally-friendly. Improved efficiency of production facilities makes a significant contribution to the sustainable utilization of raw materials, energy, and other resources.

Reducing agents in the blast furnace process

In the last ten years, the blast furnace process at both Austrian sites (Linz and Donawitz) underwent significant further development. By expanding the injection technology, up to seven alternative reducing agents can now be used in the blast furnace; this represents a global benchmark. Valuable primary resources, such as coking coal and oil are conserved and replaced by secondary raw materials, such as, crude tar, coke gas, or used plastic.

The blast furnace process offers substantial potential with regard to conservation of primary raw materials on one hand and, on the other, in the recycling of used materials, as is demonstrated by the utilization of shredded used plastic. Besides, the diverse mix of input materials enables us to react flexibly to the fluctuating availability of input materials and to changing statutory provisions with regard to utilization of scrap material recycling and CO_2 emissions.

Replacement of the alloy ferromolybdenum

A process developed in the steel mill in Uddeholms, Sweden, provides a contribution to resource conservation and cost optimization. Instead of the commonly used alloy ferromolybdenum, molybdenum trioxide and mill scale, which occurs in the plant as waste material, are used to retain the desired characteristics of steel. Molybdenum trioxide is an upstream product in the manufacture of ferromolybdenum.

Uddeholms has developed a completely new process in which one step in the production of molybdenum can be omitted. This newly developed process protects the environment along the entire production chain through energy and raw materials savings and is also economically attractive.

upcop – upgrading coal and powder injection

In the Group's upcop project, a special sifting process has been developed for inferior-quality coal. This process extracts good-quality coal, which is used in the coking plant in Linz. The sifted portion of the coal has been used as injection coal in the blast furnace in Donawitz; from the end of 2014 on, it will also be used in the blast furnace in Linz. This process makes a significant contribution to the efficient use of raw materials, as it enables inferior-quality coal to be utilized completely.

ULCOS: Ultra-low carbon dioxide steelmaking

The objective of ULCOS is to significantly lower the CO_2 emissions generated during the production of steel compared to the most effective technologies available today. New processes are being developed to this end, however, they will only reach industrial maturity in the future. 48 companies and organizations from 15 European countries, including voestalpine and other leading EU steel companies have formed a consortium. (www.ulcos.org)

Production of iron oxide

Each year, approximately 90,000 m^3 of pickling products accumulate from the hydrochloric acid pickling processes conducted by voestalpine Stahl GmbH. Two regeneration plants that employ spray roasting technology recycle more than 99% of the hydrochloric acid; iron oxide is generated as a by-product of this operation. The regeneration process was enhanced to the point that over 85% of the iron oxide is of high purity–a form suitable for the production of ferrites, which are used in the electronics industry. Any regenerated hydrochloric acid is returned to the pickling process.

With annual production of approximately 18,000 tons, voestalpine Stahl GmbH is Europe's largest manufacturer of high purity iron oxide.

Recovery of metals from slag

Growing environmental awareness and the rising cost of metal make the efficient recovery of metals from slag both important and prudent. In collaboration with institutes at the Leoben University of Mining and Metallurgy, voestalpine is pursuing the development and optimization of processes for the recycling of metalliferous by-products. By-products containing significant quantities of valuable metals, such as zinc, lead, and copper, are especially promising.

Chrome (VI)-free pretreatment of steel strip

By the year 2000, voestalpine was already shifting to chrome-free production processes for coil-coated plates; since 2005, the surface treatment of hot-dip galvanized plate is also chrome (VI)-free.

voestalpine is the first steel manufacturer in the world whose entire product portfolio is free of coatings containing chrome-(VI) and whose production completely dispenses with a range of problematic materials.

6.4 Materials development and product innovations

The R&D departments of all divisions continue to advance the development of steel, design new materials such as hybrids, and create components that guarantee durability, lightweight structure, minimal use of materials, and increased safety. Lightweight construction, safety, and comfort play a major role for the user of the end product.

6.4.1 Automotive applications

One focus of voestalpine's company strategy is the development of innovative products for automotive engineering. The trend here is toward lightweight construction, in order to reduce vehicle fuel consumption and CO_2 emissions. At the same time, improved safety is absolutely required. More complex components necessitate new materials and processing methods. In response to these requirements, voestalpine is engineering ultra-high tensile steels and safety-related components, such as seamless tubes for seat belt tighteners, rotationally-formed containers for airbags, and powerful guardrail systems, which keep trucks from falling off bridges in case of accidents.

Future Steel Vehicle project

Since its inception, voestalpine has devoted itself to the "Future Steel Vehicle" project, initiated in 2008 as part of WorldAutoSteel. Working in collaboration, 17 steel producers aim to demonstrate the potential for lightweight construction inherent in contemporary steel materials. The group is also addressing the effect of new drive concepts on structural design options. In this project, they have already been able to prove that, through the optimal use of modern steel grades and processing technologies, automotive designers can lower the weight of an auto body by 35%–which leads to substantial CO_2 savings.

AHSS HD steel
(Advanced High Strength Steels / High Ductility)

The recently developed multiphase steels for the next generation of auto bodies (AHSS/HD steel) enable automotive engineers to achieve up to 60% better forming properties. This results in a considerable leap in stability in cold forming processes and ultimately, a higher level of safety. The higher strength AHSS HD steels, as well as phs-ultraform (see below), are intended for use in the strength-related zones of doors and hatches as well as the visible exterior skin components (e.g., side walls).

phs-ultraform (press hardening steel)

phs-ultraform is a hot-dip galvanized auto body steel developed by voestalpine. On top of the lightweight design, phs-ultraform components feature an array of advantages, such as the highest tensile strength (up to 1,800 megapascals), cathode corrosion protection, and the ability to manufacture "tailored property parts"–blanks with the widest range of combinations in tensile strength and thickness. phs-ultraform contributes significantly to lightweight construction, and it also has great relevance to applications in electromobility.

The first series of tests took place as early as 2003; by 2008, the voestalpine development team had achieved the breakthrough, and the first orders from the automotive industry started to arrive. There are 21 patent families to safeguard voestalpine's unique expertise in the manufacture of this innovative material. phs-ultraform made its debut in front of a wider public audience at the 2012 Geneva Motor Show.

Steel-aluminum hybrid blanks

Lightweight construction is accomplished by composite (hybrid) construction methods, among others. voestalpine succeeded in developing a

steel-aluminum compound, as well as corrosion protection adapted to these various materials. This achievement now enables voestalpine to produce steel-aluminum hybrid blanks.

Electrical steel strip

Electrical steel strip is a functional material that is used for constructing magnet cores in electric motors, among other uses. Essential product features include the best possible electromagnetic properties and superior punchability. By continually enhancing steel quality, voestalpine aims to increase the efficiency of the motor by further reducing magnetization losses–which manifest in the undesirable form of heat within the magnet core. The insulating varnishes used in the production of electric steel strip packages are completely free of toxic ingredients and comply with all relevant environmental guidelines–thanks to steady development efforts in collaboration with the paint producers.

Zinc-magnesium coating of steel strip and sections

The corrosion resistance of zinc surfaces markedly improves by the addition of magnesium by alloying. This also makes it possible to reduce the thickness of the coating, without compromising its protective effect: in other words, the use of materials is reduced. voestalpine is working on a further enhancement to this coating–which is already commonplace in the construction industry–so that it can be used in automobiles.

6.4.2 Rails and turnouts applications

voestalpine's development efforts in the rails and turnouts sectors aim at achieving top passenger comfort with the highest degree of railway safety. It starts with developing rail materials that elevate wear resistance and fracture resistance. So in addition to head-hardened high-speed rails, voestalpine also developed the DOBAIN high-speed rail, which is manufactured from special heat-treated, high-performance steel that features a unique microscopic structure ("bainitic framework"). These efforts will ultimately result in a longer lifespan for the rails–as well as lower maintenance costs–and thereby improve track safety on the whole.

Several of voestalpine's developments ensure shorter maintenance times, fewer malfunction-related shutdowns, and as a result, greater availability and safety in rail transport: thanks to its design, the low-maintenance Spherolock turnout locking device works quite reliably, requires minimal inspection, and can be installed swiftly and easily. Ready-to-install turnouts are used both in railway and tram/light rail construction, and the improved measurement and inspection equipment in the turnouts and on the rails are equally reliable, even at the highest speeds.

Lightweight construction in rail transport

In the summer of 2011, voestalpine started "Innovative Market Entry into the Freight Car Market," a project that involves a collaboration of the Steel Division, the Metal Engineering Division, and the Metal Forming Division. The objective was to build and test the prototype of a scrap container rail car, made of high tensile-strength steel, that could achieve a higher load capacity due to the weight reduction, and thereby lower costs and CO_2 emissions.

Upon building a prototype of the "lightweight scrap container rail car," the team had succeeded in lowering the weight of the rail car by 3,000 kilograms. The load capacity of the rail car can be raised by precisely this amount, thus making transporation of goods significantly more efficient. From the pre-materials to the welding seams, all of the prototype's materials and components come from the voestalpine Group.

6.4.3 Energy production applications

Steel is playing an integral role in the implementation of the energy transition from fossil fuels to renewable sources of energy. The use of steel is just as integral to the towers of wind turbine systems as it is to the supporting elements for photovoltaic systems or solar power plants. In geothermal power plants and conventional hydroelectric systems, steel is also indispensable. Furthermore, by continuing its materials development, voestalpine is making a contribution to the energy transition, as it increases the degree of efficiency of conventional power plants, such as steam power plants.

Wind energy

A series of new developments for wind power is being advanced in "voestalpine Future Markets," the cross-divisional project for identifying and employing innovative technologies along the Group's entire value creation chain. In cooperation with renowned external partners and research institutions, voestalpine engineered the prototype of a low-maintenance lattice tower for wind power plants.

The use of new types of joining methods and the application of innovative special sections should reduce the high volume of maintenance requirements that previously put lattice towers at a disadvantage when compared to other building methods. The new construction kit concept is providing remarkable benefits in transportation and logistics, as well as considerable reductions in materials, extreme lightness, improved stability, and an altogether significant increase in the degree of efficiency.

Photovoltaics

Following intensive development efforts and the successful completion of the test phase, voestalpine Polynorm launched the iFIX photovoltaic system for flat roofs in the solar market in 2012. The system stands out for its innovative construction–and for having the lowest installation cost on the construction site.

50plus power plant

The efficiency of steam power plants can be greatly increased by raising the operating temperature and the pressure: a rise of 10%–for example, from 42% to 52%–for a 750 MW power plant leads to a reduction of its CO_2 emissions by 700,000 tons/year; this corresponds to the output from 350,000 diesel-powered, mid-sized cars driving 15,000 km/year.

New, improved materials and components that can tolerate the higher loads are essential to raising the plants' degree of efficiency. As part of the Group project "Power Plant 50plus," voestalpine has been working with the Graz University of Technology on related developments since the fall of 2010. For example, hot-dip galvanized high-tensile steels as well as nickel-based alloys were developed for use at temperatures above 700°C. (By comparison: today, the most modern systems operate at around 600°C).

Eight companies from three divisions are working on optimizing turbine housing, generator shafts, pipe conduits, and turbine shafts. voestalpine is already capable of manufacturing this high-temperature steel with assured process reliability. The material has already passed the welding process test. 600 MW generator and low-pressure shafts are currently in production.

6.5 Prizes and awards received

2013 Regional Award "Upper Austrian Female Researchers Award 2013" goes to an employee of voestalpine Stahl GmbH.

2012 Stanley Black & Decker bestows the Quality Award on BÖHLER-UDDEHOLM Precision Strip for innovation and production, technical performance, and reliability.

2012 voestalpine VAE receives the Middle East Rail Award in the category "Most Innovative Use of Technology."

2012 Innovation award of the region East Württemberg for voestalpine Polynorm in Schwäbisch-Gmünd, Germany.

2011 Airbus presents Böhler Schmiedetechnik with the Gold Award as "Best Improver."

2011 Böhler Edelstahl receives the "Golden K" business award for especially innovative companies in the Kapfenberg area.

2011 The EU Scoreboard "Industrial R&D Investment" ranks voestalpine as the top Austrian company in research.

2011 The Middle East Rail Awards honor voestalpine VAE as "Best Service Provider of the Rail Industry 2011."

2011 Two voestalpine employees receive the "Hans Malzacher Award" for outstanding achievement by young engineers in the field of metallurgical engineering.

Lukas Hölzl, Metal technology/Civil engineering technology, second-year apprentice

7. Ecology

Active environmental protection and conservation of finite resources are core elements of the corporate philosophy of voestalpine.
Within the organization, voestalpine endeavors to create the necessary prerequisites for continuous improvements in the area of environmental protection and has defined principles in this regard:

Comprehensive responsibility for all products

voestalpine produces and develops products and system solutions in close collaboration with its customers and suppliers and takes ecological requirements, such as a long useful life, conservation of resources, and optimum reusability/recyclability/recoverability into consideration.

Optimization of production processes

In operating its plants and facilities, voestalpine applies state-of-the-art technology as far as economically reasonable and minimizes the environmental impact of its production sites. Efficient use of raw materials and energy is of primary importance to voestalpine.

Implementation of environmental management systems

voestalpine facilitates the development of environmental management systems in its Group companies. The core of these management systems is compliance with environmental provisions and continuous improvement programs.

Employee involvement

voestalpine sees environmental protection and continuous improvement as the responsibility of each individual employee at all levels and in all business sectors. Responsible and expert employees ensure that technical facilities are operated at an optimum level and contribute to continuous improvement through environmentally conscious behavior.

Open and objective dialogue

As a basis for shared, sustainable solutions, voestalpine maintains an open and objective dialogue with internal and external interest groups regarding all environmental issues relevant to the Group. voestalpine particularly encourages a Group-wide exchange of knowledge among all the production sites.

Lukas Mayrhofer, Metal technology/Civil engineering technology, second-year apprentice

7.1 Environmental management and Group-wide knowledge transfer

Individual environmental policies based on Group-wide voestalpine environmental principles are the foundation for the existing environmental management systems of the voestalpine companies. The setting of concrete targets, the establishment of packages of measures, and regular monitoring of the progress being made are part of the management responsibilities of each Group company.

In order to ensure effective environmental management, it is essential that the entire workforce develop a thorough awareness of environmental concerns. Therefore, awareness-building measures complement the existing management systems. It is especially important to us that regular and target-group oriented information transfer and open dialogue take place both within the company and with external partners.

As far as the Group's development is concerned with regard to environmental technology and environmental legislation, it is necessary to have an open and objective dialogue not only within the Group but also with external stakeholders in order to be able to identify and ensure expert action that demonstrates a high degree of awareness when dealing with environmental issues.

An exchange of knowledge between all production sites with regard to environmental protection supports the company in developing and implementing sustainable solutions. In order to ensure that this knowledge transfer takes place, voestalpine has implemented target-group oriented communication measures on various environmental topics, such as regular "jour fixe" events, specific content on the internet and intranet sites, folders, and Group meetings.

Objectives

Establish a central environmental database of all production companies by the end of 2014.

Reinforcing the environmental network: efficient knowledge and information transfer between the Group's central environmental department and the individual divisions and companies.

7.2 Environmental standards

Standardized environmental management systems, such as ISO 14001 or EMAS, ensure improvement and standardization of a company's environmental performance. The certified companies undergo a comprehensive environmental assessment within the scope of an annual audit by independent, external environmental experts.

55% of the voestalpine production sites have an environmental management system based on ISO 14001. 14 Group companies have an environmental management system that has been validated according to EMAS. In the environmental statements required by EMAS, voestalpine discloses the environmentally-relevant facts and figures of the respective Group companies. This creates transparency both for the company internally and for external stakeholders.

Objective

To increase the number of voestalpine production companies certified under ISO 14001 by 10% by 2015.

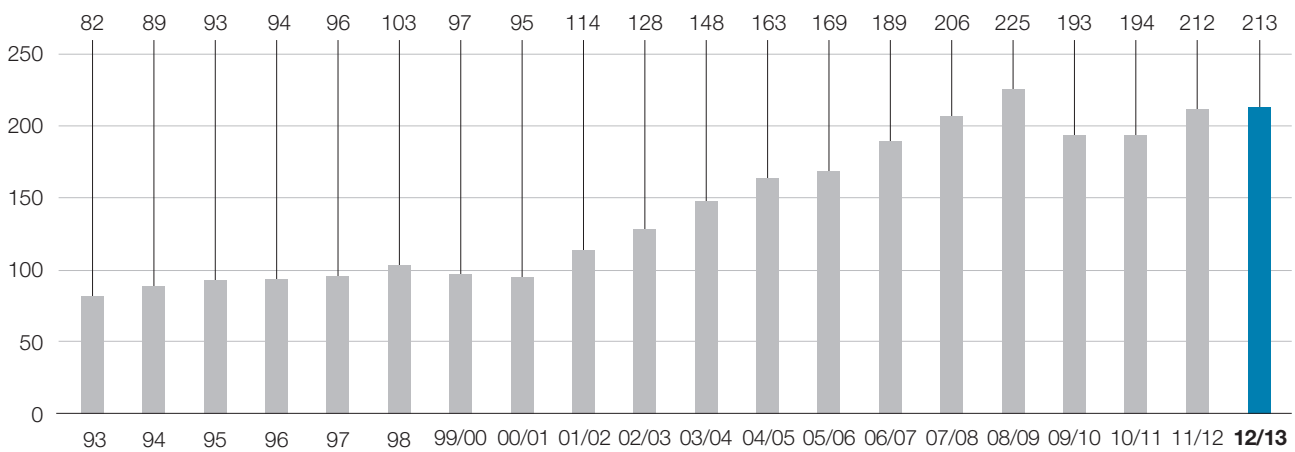
7.2.1 Compliance with environmental standards

At around EUR 213 million, ongoing expenses for the operation and maintenance of environmental protection systems at the Austrian production sites in the business year 2012/13 remained at almost the same level as in the previous year.

Environmental expenditures include all costs incurred by measures to keep the environment clean by avoiding, removing, preventing, or reducing emissions, pollution, and noise, such as internal recycling, removal of waste, emissions testing, depreciation, personnel costs, recycling of materials, and the costs incurred by switching to more environmentally-friendly production processes.

Operating expenses for environmental protection systems

in millions of EUR



This is based on the Austrian production sites as it is here that the greatest portion of the Group's environmentally sensitive emissions accrue.

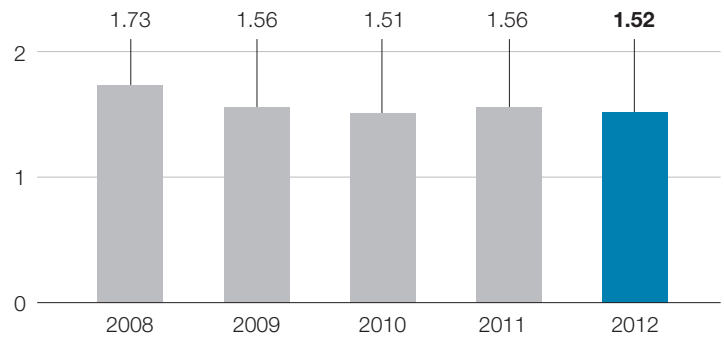
CY/BY from BY 07/09 on, includes Special Steel Division (Austria)

7.3 Specific CO_2 emissions caused by voestalpine

Steel production in general depends on the use of carbon as a reducing agent; the resulting CO_2 emissions are technically unavoidable.

Specific CO_2 emissions caused by voestalpine reported in accordance with the Austrian Emissions Allowances Act (EZG)

in tons/ton of crude steel



Figures refer to CO_2 emissions pursuant to the Austrian Emissions Certificate Act (Emissionszertifikategesetz, EZG)

The currently available technology used in the production of high-quality steel products using the blast furnace route has been highly optimized; the same applies to the facilities and processes of voestalpine.

Improvements have already been made in the past so that the required carbon input and the resulting CO_2 emissions are now close to the theoretic minimum.

In the 2012 calendar year, the voestalpine Group emitted 1.5 tons of CO_2 per ton of crude steel.

Measures to prevent and reduce CO_2 emissions

Steel as an environmentally-friendly product
voestalpine develops those materials that enable vehicles, airplanes, and energy producers to provide mobility, heat, and energy efficiently with low emissions. In many of these applications, the emissions saved by using new steel components exceed by far the emissions caused by the production of these steel components.

The greatest savings potential can be found in the overhaul of fossil-fuel power plants, the expansion of wind energy, the reduction of passenger car weight, the increased use of combined heat and power generation, and of other renewable energy sources, such as geothermal, biomass, and hydroelectric power. Steel plays a key role in achieving ambitious climate targets. An efficient steel industry that can supply the necessary innovative steel products is an important contribution toward a successful climate policy.

Strict monitoring of emissions
A strict and technically mature monitoring system enables the voestalpine engineers to operate complex production facilities cost-effectively and sustainably, using environmentally sound technologies. This enables voestalpine to achieve production processes that are energy- and raw materials-efficient, resulting in a decrease in carbon emissions.

Active research efforts with regard to environmental technologies
voestalpine participates in EU-wide research projects by the entire steel industry whose objective is the development of low carbon steel production processes.

Development toward energy recovery and the highest possible energy efficiency
By exploring and realizing energy efficiency potential on an ongoing basis, voestalpine is achieving commensurate reductions in CO_2.

voestalpine supports the EU-initiative toward a paradigm shift in energy policies, in other words, switching to renewable energies, such as biomass or photovoltaics. This is the prerequisite to a reduction of the carbon emissions intensity in the EU in the long term.

7.4 Clean air management

voestalpine is striving to prevent and/or reduce air pollutants created during the production process in order to mitigate the impact on humans, animals, and the environment as minimal as possible. The highest priority in this effort is to utilize state-of-the-art technologies.

The most serious air pollutants are dust, sulfur dioxide (SO_2), and nitrous oxide (NO_X). Our primary objective is to comply with the statutory threshold limits for all pollutants.

By implementing numerous measures to ensure good air quality, the emissions of the production facilities were significantly reduced. First of all, voestalpine endeavors to prevent emissions to the greatest extent possible by way of process optimization and, secondly, the company aims to reduce the remaining emissions through end-of-pipe measures utilizing state-of-the-art technology.

Monitoring at the Linz site

At the Linz site, two-thirds of the major emissions of the integrated steel mill are being continuously measured, reported online to the local environmental agency, and analyzed to ensure that the threshold limits are complied with.
The other emissions are analyzed by accredited measurement institutes in accordance with the measurement intervals required by law and tested to ensure that the statutory threshold limits are complied with.

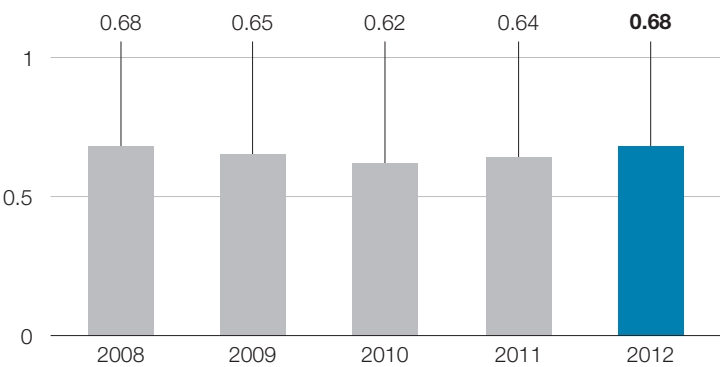
7.4.1 Sulfur dioxide (SO_2)

During certain processing steps and when utilizing by-products (coke oven gas and blast furnace gas) for energy generation, the sulfur that is introduced into the production process through the raw materials is released as sulfur dioxide (SO_2).

As content of sulfur in by-products used varies, the SO_2 emissions vary accordingly in the period under review.

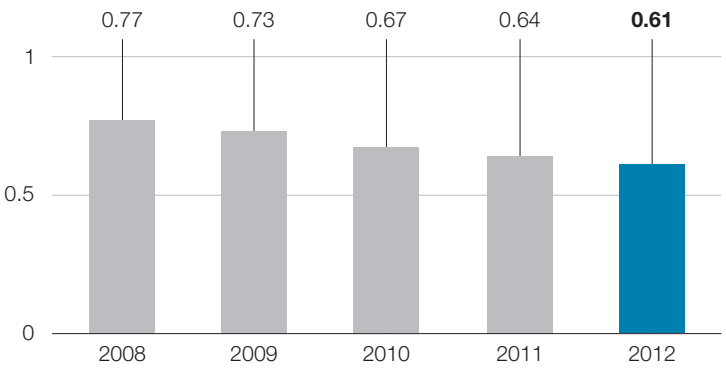
Specific sulfur dioxide SO_2 emissions

In kg/ton of crude steel



Specific nitrous oxide (NO_x) emissions

In kg/ton of crude steel



7.4.2 Nitrous oxide (NO_x)

Nitrous oxides (NO_x) are gaseous nitrogen compounds that are generally created during combustion processes; they are also created in the soil through microbiological decomposition processes. At voestalpine, nitrous oxides are created during the production process in various industrial facilities. During the reporting period, voestalpine was able to reduce the emissions of NO_x by roughly 20%. This was achieved by way of denitrification systems and improved combustion technologies.

Innovative environmental technologies

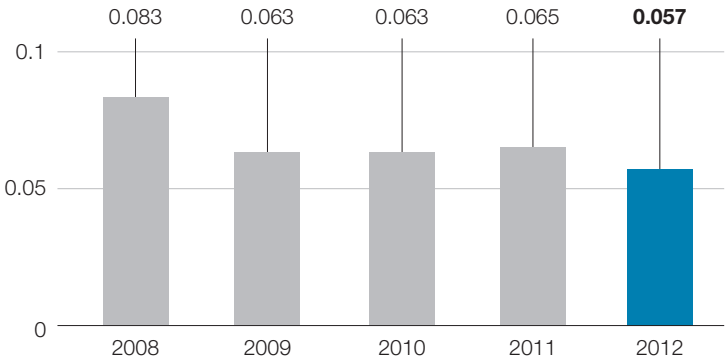
In late 2012, a $DeNO_x$ system for the denitrification of sintering exhaust gas was put into operation at the Linz site, a unique installation in Europe. In the future, NO_x emissions will be reduced by around 400 tons annually. This measure ensures a long-term improvement of the NO_x situation at the Linz site and guarantees that voestalpine will be able to comply with the statutory provisions in the future.

By the early 1990s, a highly efficient wet gas cleaning system (AIR-FINE) for sintering exhaust gas had been installed in addition to the existing dry electrostatic precipitator. In 2007, voestalpine switched to a dry electrostatic precipitator system that can filter out numerous pollutants using additives (e.g., activated carbon). This MEROS system is an innovative dry exhaust gas cleaning system for sintering exhaust gas that redefines state-of-the-art technology. It enables the reduction of heavy metals, dust, SO_2, and organic compounds to a minimum.

The exhaust gases that have already been cleaned in the MEROS system are injected into the $DeNO_x$ system. The exhaust gas is warmed up in a heat exchanger and is then denitrified in a catalytic unit using ammonia (NH_3). Then the gas is routed through the heat exchanger into the chimney; excess heat is recovered and returned to the system process and reused to heat up the exhaust gas from the sintering facility.

Specific captured dust emissions

In kg/ton of crude steel



7.4.3 Dust

By taking state-of-the-art precautions, voestalpine ensures that dust-laden exhaust gases and emissions that occur during production are captured and routed to a dedusting system. The reasons for the reduction by more than 20% from the 2008 calendar year to the 2009 calendar year included measures taken with regard to the 8m blast furnace group at the Linz site.

Fuel conversion and improved utilization of heat at Uddeholms in Sweden

The Special Steel Division site in Hagfors, Sweden, replaced heavy oil with natural gas, which is more environmentally friendly, thus combining both ecological and economic benefits.

The furnace was rebuilt for the new regenerative combustion technology; this improved both heat utilization and maintenance efforts significantly. By switching to the significantly more environmentally-friendly liquid gas, specific emissions, such as CO_2 and NO_x, are being reduced and energy efficiency is being optimized.

7.5 Water management

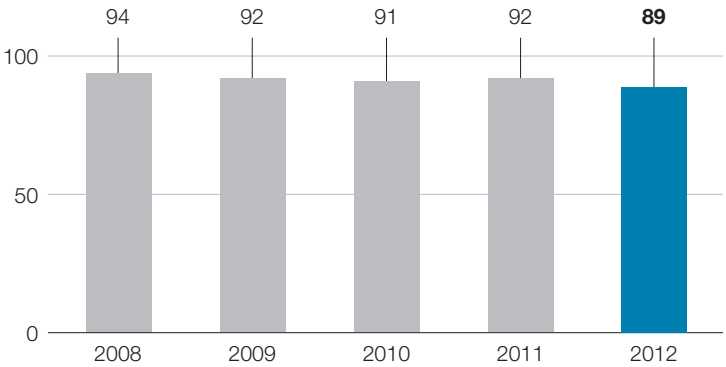
Water is one of the most important consumables and auxiliary materials in the production of pig iron and steel as it is needed for cooling and for the generation of steam.

Conservation of water resources, which takes local circumstances into particular consideration, is a core principle for voestalpine. Closed circuit systems and modern production facilities and processes enable multiple use of process water and a decreased need for industrial water, respectively. In the 2012 calendar year, the production companies of the voestalpine Group consumed and discharged around 89 m³ of water per ton of crude steel. The figures are within the naturally occurring fluctuation range of the production process.

The total volume of water consumed represents the water volume that is routed into discharge systems or into the public sewer system after state-of-the-art treatment.

Specific total volume of water consumed

in m³/ton of crude steel



CO_2-neutral hydropower combined with economic profitability and energy efficiency

The site in Zeltweg, Austria (voestalpine turnout systems) participated in the expansion of a small hydropower plant on the Pöls River. The objective was to supply the site with electricity from clean, CO_2-neutral hydropower as self-sufficiently as possible. Economic profitability and attention to aspects related to water law and environmental issues during construction and operation of the power plant were major planning factors. A significant part of the electricity production is being utilized for a new induction heating system for forging of rails, which replaced the previous natural gas-operated furnace; this enables a reduction of 340 tons of CO_2 emissions annually. The facility also ensures voestalpine's technological market leadership, thus helping to secure the approximately 50 jobs at this site. An expert opinion provided by the University of Technology in Graz confirmed that the construction of this power plant created added value for Austria of more than EUR 10 million, thus producing a high benefit for both the regional and the national economy.

7.6 Conservation of resources and reusability/recyclability

voestalpine places great importance on the conservation of resources both during the production process and within the scope of development of new products and solutions with a long useful life and a high degree of reusability/recyclability/recoverability.

Due to their ingredients, many of the by-products generated by the production and downstream processing of pig iron and steel can be utilized either internally as recycled materials or in other industrial branches (e.g., steel mill dust in the zinc industry) as secondary raw materials (by-products). Some by-products can be utilized directly as a product due to their particular physical and chemical characteristics.

Process management in the integrated metallurgical facilities is optimized on an ongoing basis in

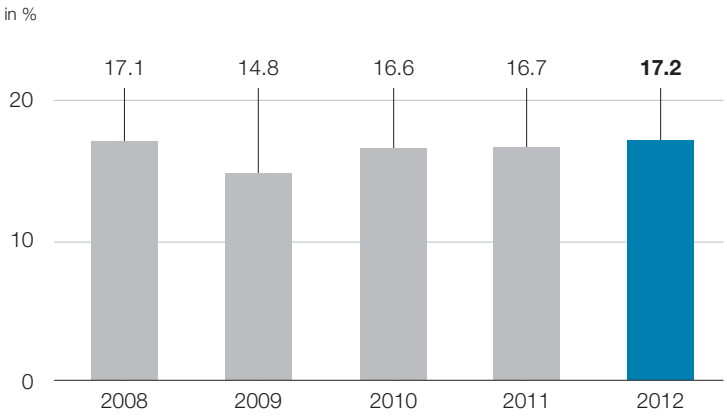
order to ensure a high degree of internal recycling and external utilization of by-products that accrue from both production facilities and downstream machinery, including filter dust and mill scale. Additionally, products, residual materials, and waste that accrue in external production facilities are also utilized in voestalpine production facilities, for example, scrap, plastic pellets, used oil, and used grease.

By using plastic in the blast furnace process (e.g., processed shredder residue, small-scale industry, production, packaging, and household waste), primary resources can be conserved.
The percentage of recycled scrap and other ferrous materials of all materials used (with the exception of raw materials that are energy sources, such as coal) is in the range of around 17 %.

The figures in the chart refer to steel production sites in Austria, Sweden, and Brazil. Sources of energy are taken into account under the chapter "Energy."

voestalpine makes every effort to find continuous improvements with regard to material efficiency and new recycling possibilities in order to make a long-term contribution to a resource-conserving future.

Percentage of recycled materials of total materials used



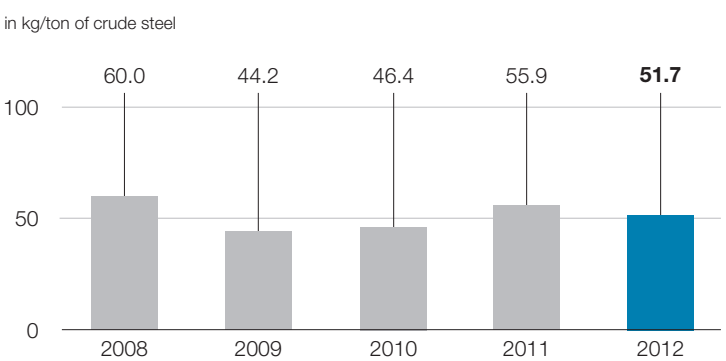
7.7 Waste management

Waste that accrues in the production process is categorized as hazardous and as non-hazardous waste. All waste must be sent to a landfill, utilized externally, or disposed of.

Hazardous waste is all waste that requires special handling, utilization/recycling, or disposal due to particular characteristics, which are defined by statutory provisions under waste legislation.

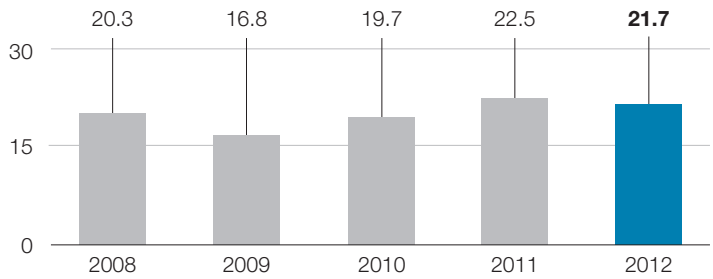
The charts present the amount of waste that accrues in the voestalpine Group, broken down into hazardous and non-hazardous waste.

Specific volume of non-hazardous waste



Specific volume of hazardous waste

in kg/ton of crude steel



The deviations in the figures in recent years are due, on one hand, to the naturally occurring fluctuations in the logistics of the management of interim storage facilities and, on the other, to the modified methodology with regard to how waste products and by-products are calculated.

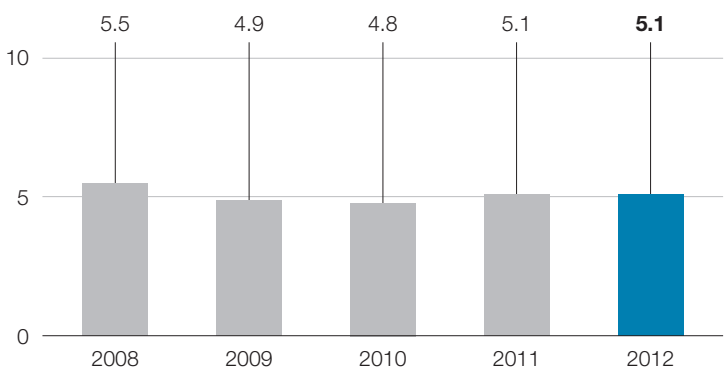
Due to economic crisis in 2009, less hazardous waste was utilized/disposed of externally; it was instead increasingly stored in an interim storage facility.

7.8 Energy

Energy efficiency in the steel industry is a constant challenge that voestalpine confronts with complex programs and new technologies for efficient energy management as well as process innovations.

Specific total energy consumption

in MWh/ton of crude steel



Especially in the integrated metallurgical facilities, improved energy efficiency is achieved through optimization of process gases, increased thermal recycling of these gases, and utilization of waste heat potential. Numerous smaller projects are also being implemented at the individual locations, for example, switching to LED lighting or using electrically operated forklifts.

Group-wide, total specific energy consumption by voestalpine in the 2012 calendar year was 5.1 MWh/ton of crude steel. This corresponds to a reduction of around 10 % compared to the 2008 calendar year.

The absolute energy requirement in 2012 was at around 38 TWh for the entire Group.

After a number of expansions and renovations of their own power plants at the Linz und Donawitz sites, these sites are practically independent with regard to generation of electricity.

City heating network for the City of Leoben

Large amounts of process gas, such as blast furnace gas and steel mill converter gas, are generated during the production of pig iron and steel by voestalpine Stahl Donawitz. In the past, only part of these gases could be used for the generation of electricity. It was also not possible to completely utilize the waste heat from the rolling mill's furnaces.

In 2008/09, the existing power plant was modernized and a new power plant unit was built, which is operated with process gases. At the same time, recovery facilities were built to supply the City of Leoben with district heating. By way of low pressure steam extraction by the two new steam turbines and using heat recovered from various thermal processes, voestalpine Stahl Donawitz has been able to supply the City of Leoben with waste heat of up to 50 MW thermal since 2009.

This generated the following ecological and economic benefits: better utilization of the blast furnace gas and steel mill converter gas, which are by-products created by the production of steel. Provision of cost-effective heat for the city and reduction of the CO_2 emissions in Leoben by about 30,000 tons per year.

Energy concept of the Zeltweg site

In order to reduce energy consumption and, in turn, to lower CO_2 emissions, voestalpine VAE, voestalpine Weichensysteme, and voestalpine HYTRONICS have taken joint measures to effect a total CO_2 reduction by 1,200 tons/year. The central electronic energy and building management system that manages and monitors electricity, heating, and compressed air made a significant contribution to this achievement. Furthermore, 75% of the energy needed for heating was converted from natural gas to district heating. The integrated city heating system is fueled by biomass consisting of materials that cannot be recycled or otherwise utilized, for example, tree bark and debris such as branches and treetops.

Additionally, a small hydropower plant was erected on the Pöls River that supplies the Zeltweg site with carbon-free electricity generated by hydropower. Electricity not needed by voestalpine is fed into the grid.

The site had a positive carbon footprint for the first time in 2010. New investments will continue to improve the energy mix at the Zeltweg site.

7.9 Biodiversity

At all of its production sites, voestalpine respects the environment and treats natural resources responsibly.

All planned measures and projects, such as new construction, renovations, or decommissioning of production facilities, are carefully analyzed with regard to their impact on the eco-system or on areas requiring particular protection. Mitigation and compensatory measures are taken when necessary.

Within the scope of the expansion projects at the Linz site, the impact of steel production on biodiversity was examined by way of an environmental impact assessment, and measures to preserve biodiversity were developed and implemented.

At the Linz site, most of the grounds are paved or developed with industrial buildings. Nevertheless, a remarkable number of animal species were found and described within the scope of habitat mapping and other ecological studies. In order to make the plant grounds attractive for rare animal species, 64 nesting boxes were installed to improve the availability of nesting sites for bird species that nest in or on buildings, such as swifts, kestrels, and peregrine falcons.

voestalpine Stahl Donawitz is also planning to build a fish ladder in the Vordernbergerbach within the scope of its flood protection measures. This measure will ensure the passability of the Vordernbergerbach on the voestalpine premises and will create a near-natural state.

The impact of emissions on all environmental media is being evaluated quantitatively using site-specific propagation models; this complements emissions monitoring.

7.10 Prizes and awards received

2013 EMAS award for voestalpine Tubulars GmbH.

2012 EMAS award for "Best Environmental Team" goes to voestalpine Schienen GmbH.

2012 voestalpine Tubulars is certified by TÜV Austria in accordance with ÖNORM EN ISO 50001 ("Optimum utilization of energy resources").

2012 voestalpine ROTEC, USA, is certified as a "Clear-Blue-Green" business.

2011 voestalpine Meincol, Brazil, achieves ISO/TS 16949 certification.

2011 EMAS award for the "Best Environmental Manager 2011" goes to the head of Strategic Environmental Management of voestalpine.

2011 The Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management names the voestalpine Steel Service Center a "klima:aktiv mobil project partner" for reducing CO_2 by 370 tons / year by switching to electric forklifts and a new inventory management system.

8. Employees

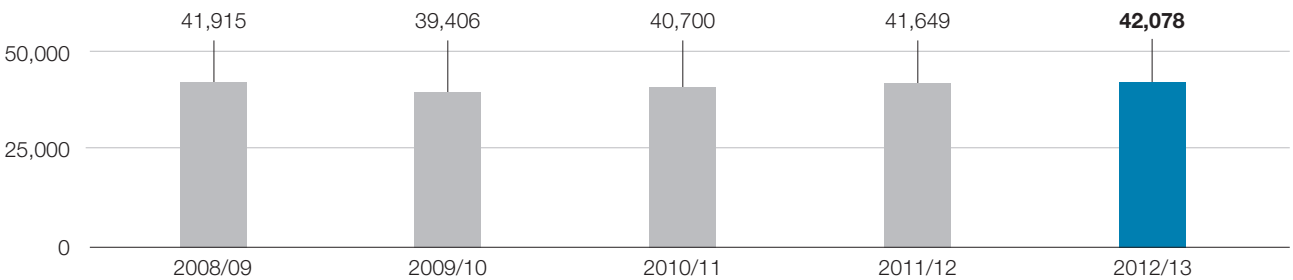
The voestalpine Group had 46,351 employees, including 3,816 temporary employees, 1,350 apprentices, and 2,649 part-time workers as of the reporting date of March 31, 2013.

Even in economically challenging times (especially in 2009), voestalpine has been able to keep the number of employees almost constant by implementing flexible working time models, reduced working hours, utilization of flex-time credits and vacation accruals, educational leave, early retirement models, and part-time work for employees nearing retirement age.

Corporate HR handles personnel issues that are relevant for multiple companies, divisions, and regions, for example, contract law, management development, personnel marketing, employee surveys, agreements on objectives, remuneration management for executives, and travel safety.

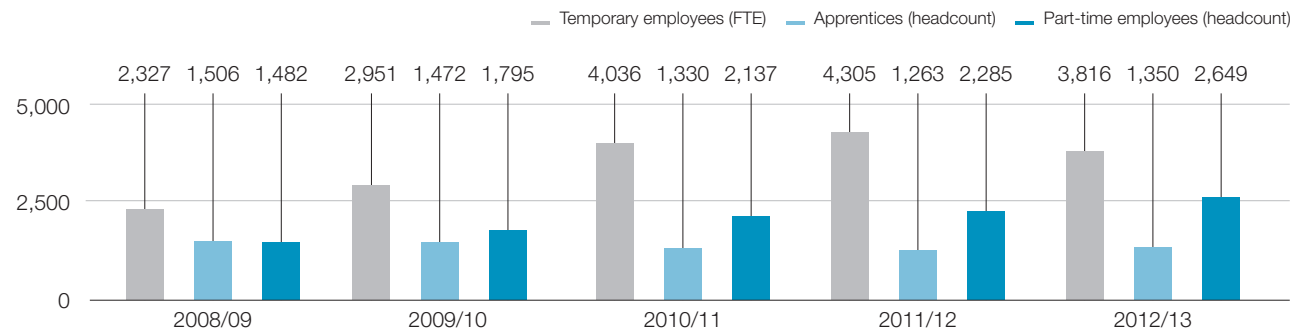
Development of employee numbers

Personnel headcount (excl. apprentices) per business year



voestalpine employees according to employment relationship

per business year



Andreas Langer, Metal technology/Civil engineering technology, second-year apprentice

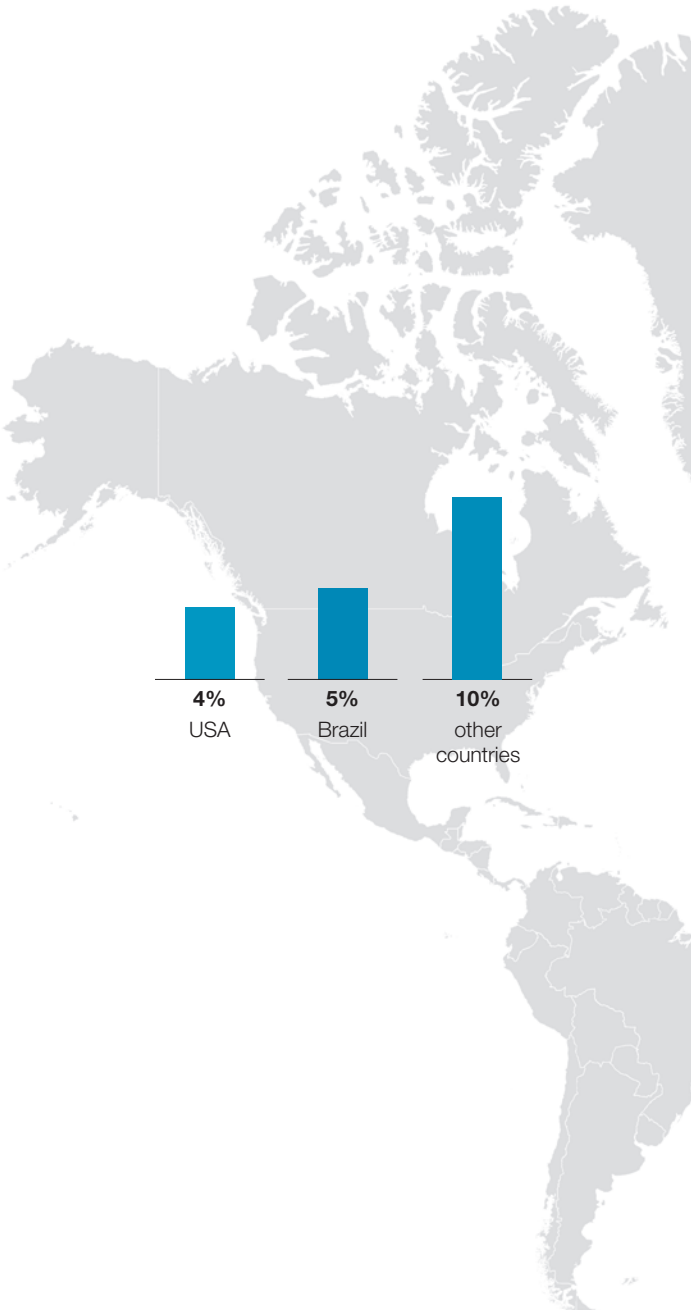
8.1 Employment by countries

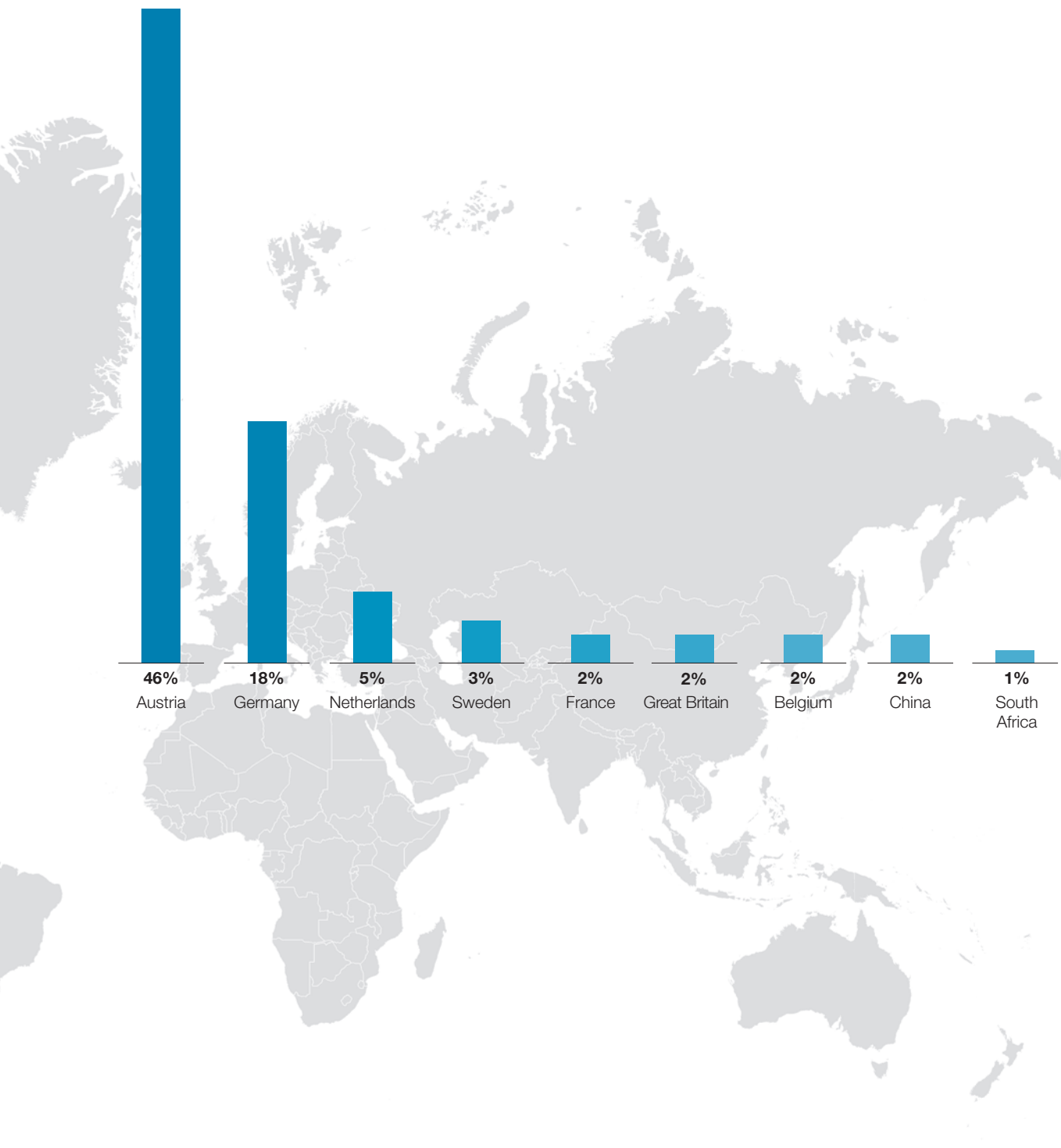
voestalpine is a Group that operates internationally and has around 500 Group companies and locations on five continents. As the largest production sites are in Austria, the majority of the employees–more than 19,500 or 46%–work in Austria as well.

Another 18% of employees work at sites in Germany. However, as the Group's activities become more and more international, the percentage of employees in non-German-speaking countries continues to grow. All employees at voestalpine sites have the opportunity to organize Work Councils or to unionize.

Many internal and external voestalpine publications are provided in various languages. In addition to German and English, Dutch, Swedish, and Portuguese and, to some extent, Russian and Mandarin, are the most important languages for communications with internal and external stakeholders.

Examples for publications that are generated in multiple languages are the Code of Conduct and the employee magazine *mm*, which is sent to each voestalpine employee worldwide and which is also available as a download via the intranet.




46%
Austria
18%
Germany
5%
Netherlands
3%
Sweden
2%
France
2%
Great Britain
2%
Belgium
2%
China
1%
South Africa

8.2 voestalpine as employer

A high number of job applications, the low fluctuation rate, and the long average job tenure are proof of the attractiveness of voestalpine as an employer. In the business year 2012/13, there were an average of 24 applications for each job vacancy; this was an increase of 20 % compared to the previous year.

The fluctuation rate, which has been low for years–4.8% in the business year 2012/13–attests to the high degree of loyalty demonstrated by voestalpine's employees. Regular rankings and awards testify to voestalpine's attractiveness as an employer among entry-level job applicants.

8.2.1 Employee survey

Every three years, voestalpine conducts an employee survey with the assistance of external consultants. The divisions nominate those companies that are to be included in the survey. The criteria require that the number of employees is high enough to guarantee anonymity when the results are analyzed. The last survey was conducted in October 2013: around 42,000 employees from 153 Group companies in 21 countries were surveyed, with materials being translated into 13 languages. The anonymous analysis of the results was carried out by an independent institute. The responses regarding employee satisfaction, loyalty, employee commitment, and identification with the company were above the industry benchmark. The responses from the employee survey are integrated into a structured dialogue between management and employees to look for and implement joint solutions wherever possible. A tool was developed to ensure the implementation of the solutions.

8.2.2 Job tenure and age structure of the employees

As voestalpine has hired an increasing number of new employees in recent years, the percentage of employees that have worked in the company for five years or less has increased commensurately. At the same time, however, the number of employees who have worked for voestalpine for more than 25 years increased as well, attesting to the high degree of loyalty of voestalpine employees.

In the business year 2012/13, the average age of all employees was 41.

Age structure of the employees

As of March 31, 2013

	30 years old or less	30 – 50 years old	More than 50 years old	
Women	3.1%	6.9%	2.6%	} 100%
Men	18.0%	46.8%	22.6%	
Laborers	14.9%	32.2%	15.4%	} 100%
Salaried employees	6.1%	21.6%	9.8%	

8.3 Equal treatment

More than 46,000 people from more than 50 countries work for voestalpine. voestalpine's corporate culture recognizes that each person is unique, valuable, and must be respected for his/her individual capabilities.

Therefore, the voestalpine Group does not tolerate any form of discrimination whatsoever. Rather, the company sees it as an important responsibility to promote and benefit from the diversity of our employees.

At voestalpine, all employees are treated equally regardless of their gender, age, ethnic origin, religion, sexual orientation, or any disabilities. The chapter titled "Respect and Integrity" of the voestalpine Code of Conduct defines human rights as fundamental values, based on the principles of the UN Charter and the European Convention on Human Rights, that are to be complied with by all employees.

8.3.1 Persons with disabilities

In Austria, companies with more than 25 employees are required to make jobs available for persons with disabilities. For reasons relating to data protection and privacy, information about the number of employees with disabilities is not collected outside of Austria. voestalpine fulfills the statutory obligations required by the countries where the respective sites are located.

voestalpine rules out any discrimination of employees with disabilities.

8.3.2 Women at voestalpine

The percentage of women in the voestalpine Group overall in the business year 2012/13 was 12.6%. This percentage is low compared to other business sectors for industry-specific, historical, and cultural reasons. In the perception of the public, work in a steel and industrial goods Group is still often equated with a high degree of physical exertion or other work conditions that women find unappealing. Therefore, it is commensurately difficult to achieve a balanced recruitment of men and women.

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 10.1 % in the business year 2012/13. Within the scope of internal leadership development efforts, great importance is being placed on continuing to expand the percentage of female participants. In the business year 2012/13, there were 22 women of a total of 146 participants (15.0 %). In the meantime, due to targeted efforts, women are employed in top leadership positions, for example, as managing directors or in technical sectors that have traditionally been dominated by men (e.g., hot-dip galvanizing or wire production facilities).
Women are also in executive positions in financial and legal departments of various Group companies.

voestalpine is striving to take appropriate measures in order to sustainably increase the percentage of women in the Group at all levels. However, there is no female quota in any of the Group companies or at the Group level. Measures include advancement of women in apprentices occupations and increased hiring of female graduates of technical schools and universities. Additionally, Group companies are undertaking activities in this regard, some of which are country-specific.

Women working at voestalpine

	2008/09	2009/10	2010/11	2011/12	2012/13
Women total	5,211	4,953	5,093	5,183	5,285
Salaried employees	4,326	4,139	4,201	4,294	4,366
Laborers	885	814	892	889	919
Female apprentices	201	181	186	185	210

Family-work balance

Since 1995, the largest voestalpine site in Linz has had a company kindergarten for employees' children. 90 children between the ages of one and six are cared for here in nursery and kindergarten groups. This facility in the proximity of their workplace makes it easier for parents to balance work and family and assists many employees in reentering the workforce.

Within the scope of the "Vacation at work" project, which is available at the Linz site, employee family members aged six to sixteen can participate in various activities and workshops for a week. Additionally, during the summer vacation, the company organizes summer camps for employees' children offering various activities.

8.4 Training and continuing education

Ongoing training and continuing education of the employees is an important instrument at voestalpine to keep the qualifications of the staff at the top level.

In the area of management training and development, voestalpine is focusing on the multi-phase "value:program"; in the business year 2012/13, 146 executives from 16 countries participated in this program across the entire Group. 39 % of the participants came from subsidiaries outside of Austria. The percentage of women was at 15 %.

In 2011, voestalpine received the Austrian Human Resources Award from the Austrian Productivity and Efficiency Center (ÖPWZ) for creating the "vision stage" module; it was also nominated for the European Human Resources Award.

voestalpine also runs the "High Mobility Pool" development program for university graduates with a few years of professional experience. After the successful Europe-wide recruitment of participants for the class of 2011, the internationalization of the program was continued. For the class of 2013, participants were recrueted from Brazil, China, Canada, and Mexico.

The total cost for personnel development in the business year 2012/13 was EUR 45.9 million. In the business year 2012/13, more than half of all employees participated in either training or continuing education. Group-wide, voestalpine employees underwent a total of 749,274 hours of training, an average of 31.9 hours per trained employee.

8.5 Occupational safety

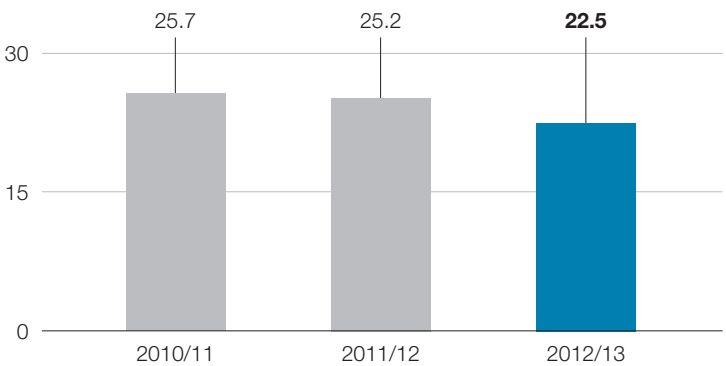
Occupational safety is a core issue for voestalpine, with the prevention of work-related accidents taking top priority.

The majority of voestalpine companies has certified occupational safety and health management systems. For example, in 2012, Villares Metals, Brazil, successfully completed the OHSAS 18001 certification.
A key measure undertaken to improve occupational safety is increasing awareness and providing regular training and continuing education for all employees. Ongoing training and supervision are integrated into day-to-day work in all Group companies. In addition to providing information, the objective of the training is primarily to motivate employees to practice safe behavior. For example, this training involves the correct use of personal protective gear.
voestalpine also endeavors to ensure that life and health of employees of independent contractors are protected. The relevant guidelines are binding for external companies.

Recording and analyzing work-related accidents and near misses is essential for accident prevention. Due to various measures and systematic safety management, the number of accidents and the associated time lost has been falling continually in recent years. In the business year 2012/13, time lost due to work-related accidents was 1.8 % below the previous year's figure.

Work-related accidents per million work hours

in the respective business year



voestalpine endeavors to eliminate any risks for its employees in all areas relevant to occupational safety. The growing internationalization of the voestalpine Group also results in increasing travel and longer stays abroad by employees. In order to protect employees who are traveling, a security team was put in place; it has developed appropriate safety guidelines and emergency plans. In addition to general recommendations, they contain numerous, concrete tips about the subject of safety and behavior in emergencies.

8.6 Apprentices

As of the reporting date of March 31, 2013, voestalpine was training 1,350 apprentices Group-wide. 85.6% of the young people were being trained in technical skilled trades. voestalpine has one of the largest apprentice training programs in the industrial sector in Austria.
At the Linz site, voestalpine Stahl's 13,000th apprentice was celebrated in early September 2012.

In its concept for the training of apprentices, voestalpine is pursuing a Group-wide strategy; currently, 36.3% of the apprentices are being trained at sites outside of Austria. Another important aspect is the promotion of internationality by way of an informal Group exchange program.

In the fall of 2012, a website was created for apprentices; information about all of the offered apprenticeship occupations and all of the locations in Austria and Germany that provide apprenticeship training can be downloaded from this site (www.voestalpine.com/lehre). Additionally, the HR online presence was again expanded with a greater emphasis on social media like Facebook, where voestalpine has a career page.

Post-apprenticeship employment

At voestalpine, 100% of all apprentices who complete their training are given employment contracts. This proves how efficiently the training is geared to company-internal requirements and illustrates what an attractive employer voestalpine is among entry-level employees.

Steel sounds

The locations in Austria and Germany that train apprentices implemented the "Steel Sounds" campaign aimed at apprentices. In this creative competition, the young people were able to explore the world of steel and submit videos, in which they created sounds using everyday steel products.
The best sounds were selected online and integrated into a song that had been composed for voestalpine. Due to the target group, the campaign was conducted on the Internet. "Steel Sounds" was chosen from among 500 submissions for the German Award for Online Communication in the "Recruiting Campaign" category.

Objective

An important objective for voestalpine is the advancement of women in the apprenticeship occupations as well, particularly in the technical skilled trades. One of the measures being undertaken in this regard is voestalpine's regular participation in Girls' Day, a project that introduces young women to various professions. As of the reporting date of March 31, 2013, 210 voestalpine apprentices were female; half of them were being trained in the technical skilled trades.

8.7 Employee shareholding

The voestalpine employee shareholding scheme developed in Austria was launched in 2001 and has now been expanded to Group companies in Germany, Great Britain, Poland, Belgium, and the Netherlands. About 100 Group companies are included in the scheme.

As of the end of the business year 2012/13, 22,400 employees hold 23 million shares of the company through the voestalpine "Mitarbeiterbeteiligung Privatstiftung." With a holding of 13.35% of the share capital, due to the general bundling of voting rights, employees are the second largest core shareholder of voestalpine AG.

The "Mitarbeiterbeteiligung Privatstiftung" also manages 1.8 million private shares held by former and active Group employees; this corresponds to around 1.05% of the voting shares. Thus, currently 14.4% of voestalpine AG's share capital is owned by its employees.

Employee participation can mean different things

In 2000, the term "employee participation" generally meant merely profit-sharing in the form of cash payment by way of bonuses (and not much has changed since then). Employee participation at voestalpine, however, is "employee shareholding"–true equity participation, where employees share in the company's assets.

The principle of sustainability

In order to ensure that employee shareholding remains stable in the long term, employees, as co-owners of the voestalpine Group, commit themselves to retain their voestalpine shares during the entire duration of their employment by the Group. They can sell their shares only after they have left voestalpine. In recent years, a good two thirds of all employees who left the company permitted their voestalpine shares to remain in the Mitarbeiterbeteiligung Privatstiftung, the foundation that manages employee shares.

Source:
voestalpine Mitarbeiterbeteiligung Privatstiftung: We have played a part in this.
Pages 25 – 26

8.8 The Stahlstiftung (Steel Foundation) in Austria

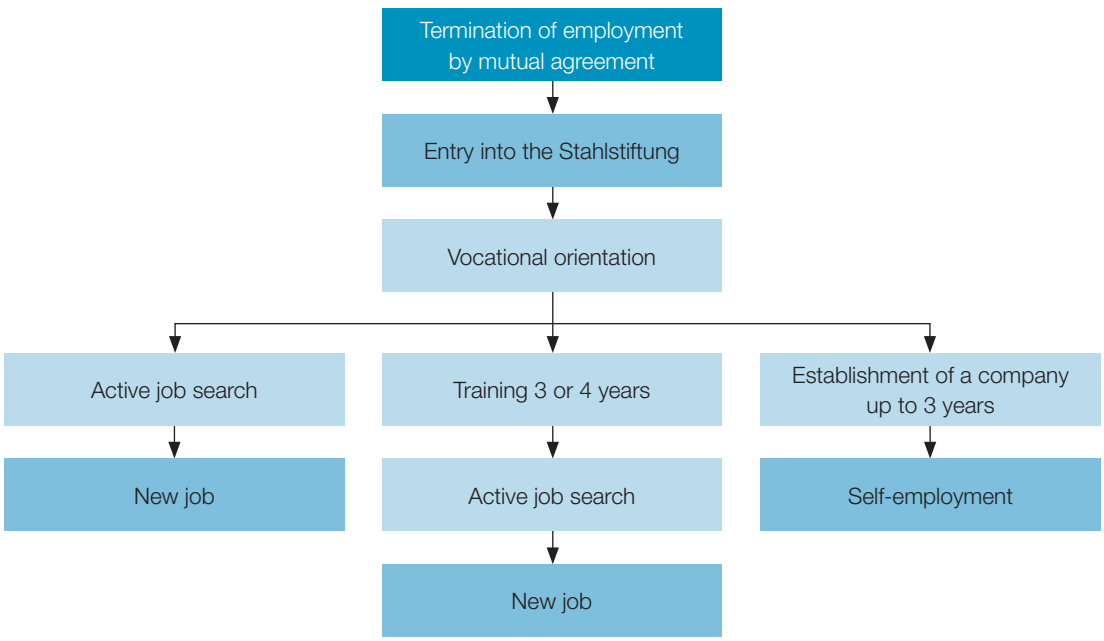
In the 1980s, the crisis in the nationalized industries in Austria led to the establishment of the voestalpine Stahlstiftung. On November 5, 2012, it celebrated its 25th anniversary. Since its establishment, around 6,600 persons have become members of the Stahlstiftung and received assistance in their search for new jobs.

Within the scope of the Stahlstiftung, former employees of the voestalpine Group companies have up to four years to complete training and continuing education to upgrade their skills or to start a new career path. These measures support former employees to the greatest possible degree in their search for a new job.

As of March 31, 2013, 453 persons were being assisted by the Stahlstiftung. This corresponds to a reduction of 10.6 % compared to the previous year. Since it was established in 1987, 85 % of participants who were looking for work were able to find a new job with the help of the Stahlstiftung. The Stahlstiftung can also be utilized by other companies; most recently, the percentage of external participants was at around 37%.
Group companies outside of Austria provide former employees with assistance, which is utilized as needed–in Germany, for example, by way of so-called transfer companies.

More detailed information is available online at www.stahlstiftung.at

Sequence of assistance provided by the Stahlstiftung



8.9 Prizes and awards received

2013 European Good Practice Award for voestalpine Rotec.
The award was presented for the "Rotec Production System" projects for the improvement of work stations, occupational safety, and definition of standards for the entire Rotec Group.

2012/13 Career's Best Recruiters: Gold seal and first place for the iron/metal industry.

2012 Villares Metals, Brazil, successfully completed the OHSAS 18001 certification.

2012 Styrian Integration Award 2012:
Honorary award for sustainability for voestalpine Tubulars, Kindberg site.

2012 trendence Graduate Barometer 2012: Top ten placement as one of Austria's most popular employers (ranking by IT/engineering graduates).

2011/12 Career's Best Recruiters: Gold seal and first place for the iron/metal industry.

2011 Austrian Human Resources Award of the ÖPWZ (Austrian Productivity and Efficiency Center) for creating the "vision stage" module and nomination for the European Human Resources Award.

2011 trendence Graduate Barometer 2011: Austria's most popular employer (ranking by IT/engineering graduates).

2011 Universum Top 50 Ideal Employer, 2011 Student Survey.

2010/11 European Good Practice Award in Safety and Health at Work for the Zeltweg site (voestalpine Weichensysteme GmbH and voestalpine HYTRONICS GmbH).

2010/11 Career's Best Recruiters, gold seal and first place for the iron/metal industry.

9. Society

As a company that operates on five continents and at around 500 Group companies and locations, voestalpine also has a responsibility to society. The company actively fulfills this responsibility and supports social, cultural, and educational activities in many different ways.

voestalpine demonstrates this commitment by way of projects of various sizes within the scope of long-term sponsoring partnerships or collaborations. Each year, the Group and its companies receive a host of suggestions and inquiries for sponsorships and assistance.

When selecting those projects that will receive support, it is a particular priority for voestalpine that they are in line with corporate values and generate a sustainable benefit for society.

In April 2012, the German translation of the Handbook of Prejudice: Origins, Impact, Relevance was published by the Sir Peter Ustinov Institute in Vienna. In this collection of essays, international experts write about major groups of prejudice, such as anti-Semitism, sexism, racism, religious prejudice, and class prejudice as well as prejudice based on age, illness, and disabilities. The publication of this book was subsidized by voestalpine.

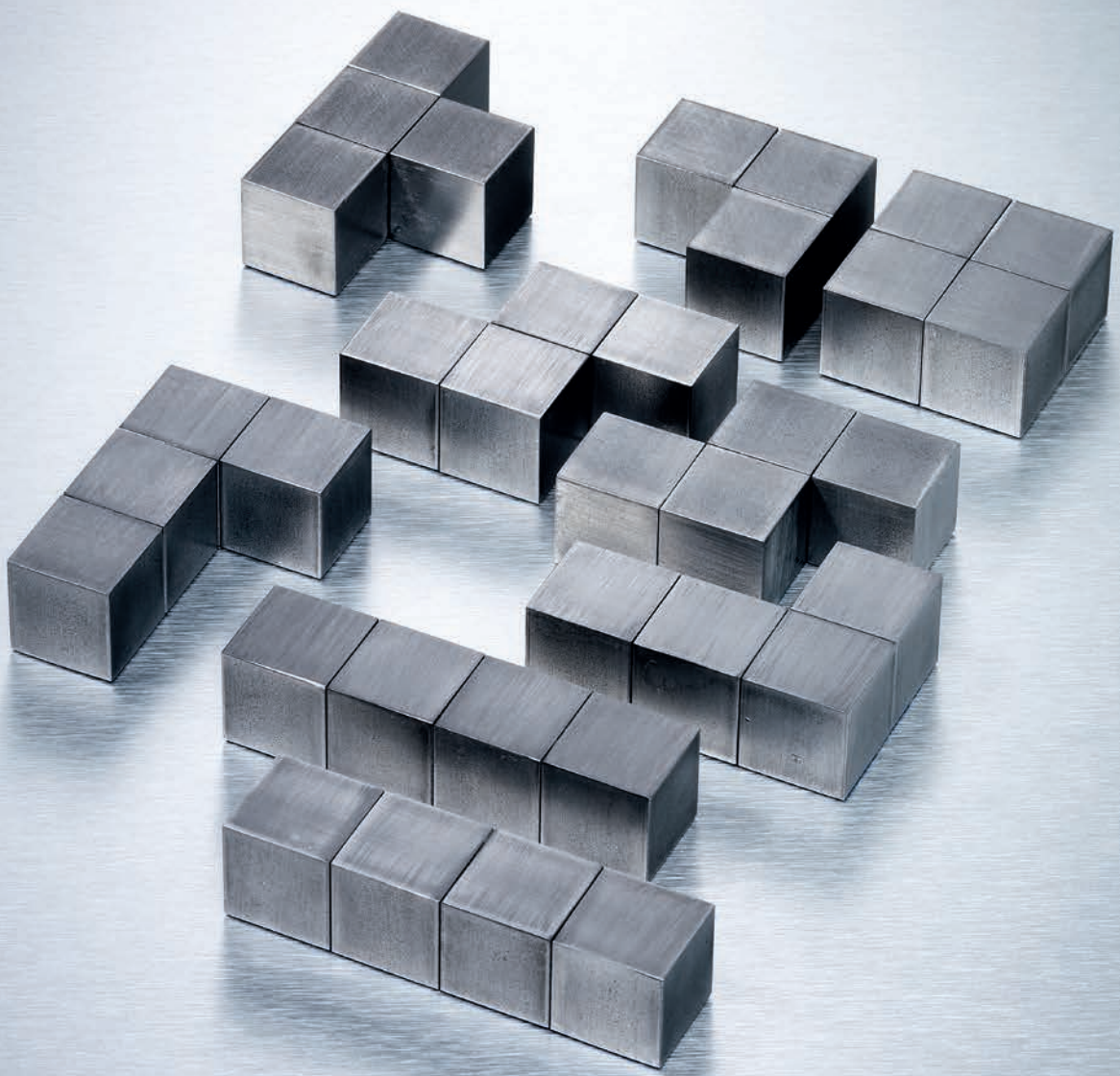
9.1 Culture

voestalpine has had a longstanding partnership with the Ars Electronica Festival in Linz. The voestalpine Art and Technology Grant, also known as [the next idea] primarily selects sustainable projects that voestalpine sponsors within the scope of this partnership.

Project ideas with suggestions on improvements relative to the future-oriented topics of energy, mobility, and access can be submitted. "Project 80+1" also addressed future-oriented issues; this project was a significant part of voestalpine's activities as the main sponsor of the events surrounding "Linz the 2009 Cultural Capital of Europe."

From September 2012, the company has been also the main sponsor for the "voestalpine Klangwolke" event, an open-air performance that has been taking place since 1979. This event is a bridge between the Linz Bruckner Festival and the Ars Electronica Festival, and its popularity brings in 100,000 visitors. During the period under review, various longstanding collaborations and sponsorship projects were carried out in Austria, for example, "Kulturwerk," a media collaboration with ORF, participation in the "Long Night of the Museums," and support for the new "Musiktheater" in Linz.

Additionally, voestalpine supports regional cultural institutions and events in the towns and cities, where its companies are located.



Alexander Sonnberger, Metal technology/Civil engineering technology, second-year apprentice

9.2 Community engagement

Community engagement has been a longstanding tradition for most of the voestalpine companies. Support for concrete projects takes place in the form of the collection of donations in kind, financial contributions, or volunteering by voestalpine employees.

Some examples of typical projects:

Böhler Uddeholm Deutschland GmbH

In 2011, a Christmas celebration was organized jointly with partner companies for children with an immigrant background. The CEOs of the participating companies read Christmas stories to the children and then distributed small gifts.

voestalpine Meincol S.A., Brazil

The company supports the "Casa do Adolescente," a youth center run by the Franciscan Order, where 60 needy children receive a warm lunch every day at their school.

Böhler Schmiedetechnik GmbH & Co KG, Kapfenberg, Austria

In collaboration with "Jugend am Werk," an organization for people with disabilities, each year, the company produces a limited edition of gifts for New Year's. Apprentices in the Kapfenberg plant produce the metal parts; the clients of "Jugend am Werk" make the packaging in their workshop.

ZAO voestalpine Arkada Profil, Russia

The orphanage in Sofrino, 50 kilometers northwest of Moscow, received financial support from the company; employees donated clothing and games.

Böhler Bleche GmbH & Co KG, Mürzzuschlag, Austria

For the last 20 years, a collection has been made for a charitable cause at the traditional Christmas concert by the works band. The collections support employees who are in financial distress through no fault of their own and other recipients.

voestalpine Stamptec Dettingen, Germany

Once a week, apprentices visit persons with physical and intellectual disabilities and spend several hours going on walks with them, playing games, or reading aloud to them.

Böhler Edelstahl GmbH & Co KG, Kapfenberg, Austria

For more than 15 years, the company has sponsored an SOS Children's Village; the Works Council bodies sponsor the Children's Village with the same amount. The Children's Village receives financial support, and several of the young people living in the Children's Village have been trained as apprentices at Böhler Edelstahl.

In addition to projects in the proximity of the individual sites, voestalpine is also a major donor to projects worldwide, for example, after the major earthquakes in Pakistan (in collaboration with the "Licht ins Dunkel" charity organization), and Japan (construction of an orphanage in collaboration with Caritas, an Austrian charity organization).

9.3 Education and science

In the sector of education and science, voestalpine supports a broad range of projects.

For many years, the company has participated in "Girls' Day," a day-long event where girls are given a better understanding of technical professions, and in the "Long Night of Research." voestalpine supports and organizes the school events "Mini Physics Olympics" and "Mini Mathematics Olympics" throughout the entire State of Upper Austria. Additionally, voestalpine provides support to the children's academy "SchlauFuchsAkademie" (literally, cunning fox academy) in Linz as well as the "KinderUni" (children's university), which is associated with the University of Applied Sciences in Steyr.

voestalpine Stamptec Böhmenkirch GmbH & Co KG, Germany

The "Technolino" project, a collaboration with regional kindergartens spanning several years, provides early technical education to the children. Apprentices designed a truck completely on their own and assembled it together with the kindergarten kids.

voestalpine has had research partnerships with around 80 universities and research institutions worldwide for years.
As one of the donors of this institution, voestalpine supports the Institute of Science and Technology (IST Austria) in Klosterneuburg, Austria, an institute for fundamental research in the areas of the natural sciences, mathematics, and computer science.

Stahlwelt (Steel World) – The fascinating world of steel

Since 2009, visitors have been able to learn interesting facts about steel and the innumerable ways it can be used and processed in a permanent exhibition about steel at the Linz site as well as in changing exhibitions, such as "60 Years LD Process." Special guided tours for families, children, youth, and school groups introduce the interested guests and potential employees to voestalpine as an attractive employer and an innovative, future-oriented company.

Experience and knowledge

An enormous steel rotunda, modeled after a steel plant crucible, hangs inside the voestalpine Stahlwelt. The crucible–the world of discovery and central hub–features 80 large, chrome-plated spheres measuring up to 2.5 meters in diameter that serve as brilliant points of reference. Individual, truncated spheres are integrated throughout the exhibition, including a number of walk-in spheres; they offer fascinating glimpses into the world of steel production and processing as well as new insights into voestalpine. The itinerary through the exhibition passes through the areas presenting steel production, steel processing, steel products, and the successes achieved by steel; the uppermost level is dedicated to the voestalpine Group.

A hands-on approach to steel

The crucible is adjoined structurally by the "tower," which houses impressive exhibits and a number of interactive stations where, for example, visitors can mix their own steel grade on a mixing console. The itinerary takes visitors upward level by level until they reach the top, accompanied all the while by music of the spheres echoing the sounds of steel production and breathtaking lighting effects from the 700 square-meter LED surface that covers the inside wall of the crucible. The voestalpine Stahlwelt has received many honors and awards internationally for various categories, for example, product design, design, and communications.

9.4 Sports

Jointly with the Austrian Skiing Association, voestalpine erected the voestalpine skygate, an arch made of 130 tons of steel that was the towering gate to the finish line in the ski stadium at the FIS Alpine Skiing World Championship 2013 in Schladming, Austria.

This structure placed the possibilities of steel in the spotlight of a major, international event, such as the Skiing World Championship.
Including employees in such major events is an integral part of the Group's sponsorship strategy.

Tickets for the Skiing World Championship were distributed among the employees. With the voestalpine Employee World Championship, an event has been created to promote an international exchange among employees.

9.5 Prizes and awards received

2012 Maecenas Lower Austria:
Böhler Uddeholm Precision Strip is recognized for cultural sponsorship.

2010 Maecenas Category III
"Best Cultural Sponsorship – Long-Term Sponsorship Commitment" for the sponsorship of the Prix Ars Electronica.

Mathias Denkmeir, Metal technology/Civil engineering technology, second-year apprentice

10. Appendix

10.1 GRI-Index

GRI G3 Code	Description	Reported	Reference/Explanation
Profile Disclosures			
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization	●	p. 8
1.2	Description of key impacts, risks, and opportunities	●	p. 20
2. Organizational Profile			
2.1	Name of the organization	●	p. 10
2.2	Primary brands, products, and/or services	●	p. 15
2.3	Operational structure of the organization	●	pp. 15-19 AR pp. 179-194
2.4	Location of organization's headquarters	●	p. 10
2.5	Number of countries where the organization operates	●	pp. 10, 14, 64-65 /group/en/group/locations/#type/map
2.6	Nature of ownership and legal form	●	pp. 10-12
2.7	Markets served	●	p. 14
2.8	Scale of the reporting organization	●	pp. 10-14
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	p. 19, 35
2.10	Awards received in the reporting period	●	pp. 47, 61, 73, 78
3. Report Parameters			
3.1	Reporting period for information provided	●	p. 26
3.2	Date of most recent previous report	●	p. 26
3.3	Reporting cycle	●	p. 26
3.4	Contact for questions regarding the report or its contents	●	p. 88
3.5	Process for defining report content	●	p. 31
3.6	Boundary of the report	●	p. 26
3.7	Limitations on the scope or boundary of the report	●	p. 26
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	●	p. 26

3.9	Data measurement techniques and the bases of calculations	●	voestalpine internal enviromental data base, all other data from ERP systems
3.10	Explanation of the effect of any restatements of information provided in earlier reports	n.a.	First CR Report
3.11	Significant changes from previous reporting periods	n.a.	First CR Report
3.12	GRI Content Index	●	pp. 80-84
4. Governance, Obligations and Commitment			
4.1	Governance structure of the organization	●	pp. 32-37
4.2	Independence of the highest governance body	●	p. 26
4.3	Unitary board structure: number of independent and/or non-executive members of the highest governance body	n.a.	The organization has a Supervisory Board.
4.4	Mechanisms for shareholders and employees to provide recommendations	●	pp. 29-30, 35, 66, 71
4.6	Processes in place to ensure conflicts of interest are avoided	●	p. 32
4.8	Statements of mission or values, codes of conduct, and principles of sustainability	●	pp. 32-35, 48
4.11	Precautionary approach or principle addressed by the organization	●	AR pp. 54-58
4.13	Memberships in associations and/or advocacy organizations	●	pp. 85-86
4.14	List of stakeholder groups engaged by the organization	●	p. 29
4.15	Basis for identification and selection of stakeholders	●	p. 29
4.16	Approaches to stakeholder engagement	●	pp. 29-30
4.17	Stakeholders' key topics and concerns	●	p. 31
Performance Indicators			
Economic Performance Indicators			
EC1	Direct economic value generated and distributed	●	pp. 12, 14, AR pp. 34-39
EC2	Financial implications and other risks and opportunities due to climate change	●	p. 25
EC3	Coverage of the organization's defined benefit plan obligations	●	AR pp. 146-150
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	●	p. 76

Environmental Performance Indicators

EN2	Percentage of materials used that are recycled input materials	●	pp. 56-57
EN3	Direct energy consumption by primary energy source	●	p. 58
EN4	Indirect energy consumption by primary source	●	p. 58
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services	●	pp. 44-46
EN8	Total water withdrawal by source	●	pp. 55-56
EN11	Location and size of land owned, leased, or managed in protected areas	●	No voestalpine production companies are located in protected areas
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	●	p. 60
EN16	Total direct and indirect greenhouse gas emissions by weight	●	p. 52
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	pp. 52, 59
EN20	NOx, SOx, and other significant air emissions by type and weight	●	pp. 53-54
EN22	Total weight of waste by type and disposal method	●	pp. 57-58
EN26	Initiatives to mitigate environmental impacts of products and services	●	pp. 42-46, 54-56
EN30	Total environmental protection expenditures and investments by type	●	p. 51

Social Performance Indicators

LA1	Total workforce by employment type and region	●	pp. 62-65
LA2	Total number and rate of employee turnover by age group, gender, and region	●	p. 66
LA4	Percentage of employees covered by collective bargaining agreements	●	p. 35

LA7	Rates of injury, occupational diseases, lost days, and absenteeism	◐	p. 69
LA10	Average hours of training per year per employee by employee category	●	pp. 68-70
LA11	Programs for skills management and lifelong learning that support the continued employability of employees	●	pp. 62, 72
LA13	Diversity of governance bodies and employees	●	pp. 66-68 /group/en/group/management/ /group/en/group/supervisory-board/
HR5	Right to exercise freedom of association and collective bargaining	◐	p. 35
HR6	Risk for incidents of child labor	◐	p. 34
HR7	Risk for incidents of forced or compulsory labor	◐	p. 34
HR8	Percentage of security personnel trained in aspects of human rights	◐	p. 35
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	p. 35
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	●	p. 36
SO5	Public policy positions and participation in public policy development and lobbying	◐	p. 25
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	p. 37

Legend

EC1 Key performance Indicators
EN6 Additional Indicators
● Fully reported
◐ Partly reported
n.a. Not applicable
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When reference is made to the voestalpine-website, only the corresponding sub-pages are listed.

10.2 Memberships

voestalpine AG and/or the individual Group companies are members of the following associations either directly or through their employees, and they are participating in the listed working groups:

ARA Association (Altstoff Recycling Austria Verein)
Associations of Friends and Alumni of the University of Technology, Vienna, Austria (Verband der Freunde und Absolventen der TU Wien, Österreich)
Association for the Promotion of the Institute for Environmental Law, Austria (Verein zur Förderung des Instituts für Umweltrecht, Österreich)
Association for the Support of the Cistercian Abbey Hohenfurth, Austria (Verein zur Förderung des Zisterzienserstiftes Hohenfurth, Österreich)
Association of Women in the Metal Industries (AWMI), USA
Associacao Serrana de Recursos Humanos (ARH Serrana), Brazil
Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKO)
Austrian Museum & Tourist Railway Association (Verband Österreichischer Museums- und Touristikbahnen, ÖMT)
Austrian Research Promotion Agency (Österreichische Forschungsförderungsgesellschaft, FFG)
Austrian Society for Environment and Technology (Österreichische Gesellschaft für Umwelt und Technik, ÖGUT)
Austrian Society for the History of Mining and Metallurgy (Montanhistorischer Verein Österreich)
Austrian Society of Occupational Medicine (Österreichische Gesellschaft für Arbeitsmedizin, ÖGA)
Austrian Society of Tropical Medicine, Parasitology and Migration Medicine (Österreichische Gesellschaft für Tropenmedizin, Parasitologie und Migrationsmedizin)
Austrian Water and Waste Management Association (Österreichischer Wasser- und Abfallwirtschaftsverband, ÖWAV)
Belgian Federation for the Technology Industry (WTCM) (Forschungsgesellschaft für die technologische Industrie, Belgien)
Donors' Association for the Promotion of the Sciences and Humanities in Germany (Stifterverband für die Deutsche Wissenschaft e.V.)
Employers Association of the Matraalia Area, Hungary
EUROFER (European Steel Association)
European Steel Technology Platform (ESTEP), Belgium

Federation of Austrian Industries
Future Academy of the Mostviertel region of Lower Austria (Zukunftsakademie Mostviertel, Österreich)
German Association for People Management (Deutsche Gesellschaft für Personalführung e.V., DGFP)
German Steel Institute (Stahlinstitut VDEh, Germany)
Holland Solar Platform
International Chamber of Commerce Austria (ICC)
Informal Platform of Austrian Labor Foundations (Informelle Plattform österreichischer Arbeitsstiftungen)
ISACA Austria
LIMAK Austrian Business School
National Association of Railway Business Women, USA
National Employers Organization of South Africa
Pro-Rail Alliance (Allianz pro Schiene e.V.)
Photovoltaic Austria Federal Association (Photovoltaic Austria)
Platform for Innovation Management, Austria (Plattform für Innovationsmanagement, PFI)
PRO Danube AUSTRIA
Regional Club Upper Austria of the Austrian Automobile, Motorcycle and Touring Club (ÖAMTC Landesclubzentrale OÖ)
respACT – Austrian Business Council for Sustainable Development
Society for Human Resources Management (SHRM), USA
Society of Friends of the Academy of Sciences (Förderverein der Akademie der Wissenschaften)
Sustainable Process Industry through Resource and Energy Efficiency SPIRE), Belgium
The Austrian Society for Metallurgy and Materials (ASMET)
The Women Secretaries & Administrative Professionals Association of Thailand
Umbrella Association of the Occupational Medicine Centers of Austria (Dachverband der arbeitsmedizinischen Zentren Österreichs), Leoben
UN Global Compact
Working Group of the Upper Austrian Labor Foundations, Austria (ARGE OÖ Arbeitsstiftungen)
World Steel Association, Belgium

10.3 Glossary

By-products	Are generated simultaneously during a production process
Capital market compliance	Measures to prevent misuse or disclosure of insider information
Chromium VI	Chromium with a valence of positive six, oxidizes very rapidly and is categorized as a carcinogen
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): Rule should be complied with; any deviation must be explained and a reason provided in order to be in compliance with the Code R rule (Recommendation): Rule that is in the nature of a recommendation; non-compliance need not be disclosed or explained (Source: Austrian Corporate Governance Code, version July 2012, Austrian Working Group for Corporate Governance, www.corporate-governance.at)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
Eco balance sheet/Life Cycle Assessment (LCA)	Systematic analysis of the environmental impact of products during their entire life cycle, taking economic, social, and technical aspects into account, in order to achieve an objective assessment
EMAS	Eco-Management and Audit Scheme. Regulation of the European Parliament and the Council on the voluntary participation of organizations in a Community eco-management and audit scheme

EZG	Austrian Emissions Certificate Act (Greenhouse Gas Emission Trading Scheme)
Ferromolybdenum	Material used in the production of acid-resistant special steels
Fraud	Theft, fraud, embezzlement, breach of trust
FTE	Full-time equivalent; a full-time employee corresponds to a full-time equivalent of one, part-time employees are taken into account on a pro-rata basis corresponding to their working hours
Integrated metallurgical facilities	Several stages of steel production at one site
ISO 14001	International environmental standard to standardize a company's processes and methods and to effectively implement environmental policies and objectives
Joint venture	A business partnership between two or more companies, which remain independent but which pool capital to pursue a commercial goal
Martensitic steels	Special steel grade
Megapascal	Pressure unit
Molybdenum trioxide	An upstream product in the manufacture of ferromolybdenum
MW	Megawatt
OHSAS 18001	Certifiable occupational safety management system
Powder-metallurgical production	Production and processing of powdered metal
WorldAutoSteel	Working Group of the World Steel Association www.worldautosteel.org

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Design and implementation: THEREDBOX Werbegesellschaft m.b.H., www.theredbox.at

Printed by: Kontext Druckerei GmbH, www.kontextdruck.at

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ONE STEP AHEAD.