



# Compliance Manual

**voestalpine**

ONE STEP AHEAD.

## 01 Introduction

Compliance with legal regulations, rules, internal guidelines and policies constitutes a part of the voestalpine Group's corporate culture and ethics-based management style. The Group's corporate values thus also form the basis for compliance management within the voestalpine Group and for the voestalpine Code of Conduct as the central compliance document.

## 02 Compliance Strategy

- a) The voestalpine Group's compliance strategy focuses on the following substantive areas and objectives:
- Strengthening the legal and moral integrity of all Group executives and employees and sensitizing them to the awareness of illegality
  - Preserving and enhancing the Group's reputation vis-à-vis all stakeholders
  - Eliminating/reducing the risk of losses due to compliance breaches
  - Using primarily preventative measures to combat compliance breaches
  - Furnishing the necessary resources to identify compliance breaches
  - Appropriately reacting to compliance breaches, which may include the imposition of sanctions
- b) In order to implement the Group's strategic objectives, the Group uses measures that include but are not limited to the following:
- Risk analysis: Identifying compliance risks within the Group by performing ongoing analysis of potential areas of compliance risk.
  - Prevention: For purposes of prevention, the Group undertakes measures to ensure ethics-based management and to raise awareness, which includes putting measures in place to monitor adherence to the Group's compliance rules. These include but are not limited to communications measures, training programs and educational events as well as internal audit measures.
  - Identification: In order to identify compliance breaches, in addition to the whistleblower system the Group has instituted, the Group also conducts investigations and audits, as circumstances warrant.
  - Reaction: Whenever it has identified compliance breaches, the Group takes precautions to avert further compliance breaches (e.g., by imposing additional oversight measures, educational events, and training programs).
  - Sanctions: When compliance breaches occur, the Group imposes appropriate sanctions. These include consequences under employment law, filing charges with the appropriate authorities, terminating contracts with third parties, etc.



## 03 Compliance Structure

- a) Responsibility for adhering to voestalpine's compliance rules lies with the management of the respective Group company. The Group's compliance structure supports management in exercising its responsibilities and furnishes the processes management needs for this purpose.
- b) The voestalpine Group is establishing a compliance structure with a Compliance Officer for the Group as a whole as well as one Compliance Officer for each division. Where necessary, further Compliance Officers may be additionally established in the Group's divisions in consultation with the Group Compliance Officer where this is deemed advisable for divisional sub-units. These additionally appointed Compliance Officers will report to the respective Divisional Compliance Officer.
- c) Group and Divisional Compliance Officers are appointed and dismissed by voestalpine AG's Management Board; the member of voestalpine AG's Management Board responsible for each individual division has a right of nomination with respect to Divisional Compliance Officers. Any additional Compliance Officers who may be appointed at the level of divisional sub-units are appointed and dismissed by the respective operational company of that division.
- d) The Compliance Officers serve as internal points of contact for all compliance-related issues and questions.

The Compliance Officers will set up a system for uniform interpretation of voestalpine's Code of Conduct and compliance-related Group guidelines in order to mutually exchange questions raised with them and information they have provided and to coordinate with the Group Compliance Officer in advance on questions of fundamental significance. For this purpose, the Group is setting up a separate web page on the voestalpine intranet entitled "Compliance", with a sub-page "FAQ – Frequently asked questions".

e) Compliance Officers are responsible for the following compliance topics:

- Antitrust law
- Corruption
- Capital markets compliance
- Fraud (internal cases of theft, fraud, embezzlement, breach of trust)
- Conflicts of interest
- Special topics assigned by voestalpine AG's Management Board to the Compliance Officers (e.g., issues of UN or EU sanctions)

All other compliance issues, such as environmental law, taxes, accounting, employment law, employee protection, data protection, etc., do not fall within the purview of the Compliance Officers and/or are not dealt with as a part of corporate compliance.

f) In performing his/her duties from his/her area of responsibility, the responsible Compliance Officer shall have the unrestricted right to inspect all internal and external business documents of the companies in question and an unrestricted right to demand information; in tandem with this, the relevant organizational units bear an unlimited duty to provide such information to the compliance officer.

g) The Divisional Compliance Officers report to the responsible Management Board/management of the main divisional company. As a part of the compliance structure of voestalpine, they are required to report on an ongoing basis to the Group Compliance Officers as to compliance breaches occurring and compliance measures undertaken within their respective fields of responsibility. In addition to this, all of the compliance officers regularly exchange information and empirical findings with each other.

h) Once per year, the Divisional Compliance Officers prepare a summary compliance report to the Management Board/management of the main divisional company, and the Group Compliance Officer prepares a summary report to voestalpine AG's Management Board. These reports must contain at least the following points:

- Type and extent of compliance breaches that have been the subject of reports and investigations
- Status of any pending proceedings
- Educational events, training programs, and communications measures carried out
- Sanctions imposed

i) The Group Compliance Officer and the Divisional Compliance Officers will prepare recommendations on further development of these Guidelines, as required, to submit to voestalpine AG's Management Board. For this purpose, advance feedback meetings may be held with the management of individual companies/of main divisional companies or with voestalpine AG's Management Board.

## 04 Prevention

In light of the primary strategic objective of the Group's compliance activities, there is a strong focus on preventative measures. These include educational events, training programs, and communications measures as well as audits.

- a) The Group Compliance Officer and the Divisional Compliance Officers shall prepare a set of educational events, training programs, and communications measures, including a schedule for implementing all of these. At the same time, they shall designate the persons responsible for implementing the measures in question. Where necessary, separate working groups on individual topics shall be established.
- b) Communications measures shall be prepared and adopted jointly with the corporate communications department of voestalpine AG, and, where necessary, shall include the divisional communications officers.
- c) In the case of communications measures, particular care should be taken that the Group's executives convey the objectives and principles of the Group's compliance strategy ("tone from the top").
- d) In general respects, the Group Compliance Officer will have lead responsibility for Group-wide educational events and training programs. This applies in particular to developing and implementing Group-wide e-learning programs. The Divisional Compliance Officers will be responsible for selecting participants in the educational events and training programs and for carrying out division- or company-specific educational events and training programs.
- e) The Compliance Officers will monitor compliance with the compliance program in their respective areas of responsibility. Preventative measures will include random audits, which will be conducted where appropriate with the support of the Group audit department, and reviews of and changes to administrative processes. Larger-scale audits will be carried out at the direction of the Group Management Board by the Group audit department.
- f) The members of the Management Board and the managing officers and executives of all Group companies must confirm in writing and at regular intervals that they are in compliance with voestalpine's Code of Conduct.



## 05 Identification, Reaction, and Sanctions

- a) The Group Compliance Officer has lead responsibility for all breaches of antitrust law and cases involving active corruption (= cases involving bribery of third parties by voestalpine Group staff) and for capital markets compliance and special topics.

The Divisional Compliance Officers have lead responsibility for all cases of fraud, conflicts of interest, and passive corruption (= bribery by third parties of voestalpine Group staff) within their respective divisions. By direction of the voestalpine AG Management Board, cases relevant at Group-level may be transferred from the divisional level to the responsibility of Group compliance.

- b) Any Divisional Compliance Officer who suspects or learns about a compliance breach shall immediately inform the Group Compliance Officer. Lead responsibility in handling compliance breaches lies in each case with the Compliance Officers within whose purview the case falls pursuant to sub-paragraph 5a). That officer will also decide on the type and scope of any investigative measures to be carried out. The company in question will bear the external costs of any such measures.
- c) In cases of fraud, the responsible Compliance Officer has a mandatory duty to engage the Group audit department to perform an audit. This Compliance Officer receives all relevant reports and has the right to attend any oral presentations of such reports.
- d) In cases involving breaches of criminal law, the Compliance Officer within whose purview the case falls shall—in coordination with the managing executives and officers of the company in question—be required to make a decision on notifying the proper authorities with respect to the facts and circumstances.
- e) The appropriate human resources department/the board member/managing director responsible for human resources matters will decide on the imposition of measures under employment law in the case of compliance breaches, taking account of any recommendations made by the responsible Compliance Officer.
- f) All compliance breaches and measures undertaken in connection with such breaches must be appropriately documented.

## 06 Reporting breaches/whistleblower system

- a) Compliance breaches should primarily be identified openly, i.e., the name of the party reporting them should be reported. Pursuant to the Code of Conduct, reports of this kind may be made to one's direct supervisor, to the appropriate legal or human resources department or to the managing executives of the affected Group company, to voestalpine AG's Group audit department, or to one of the Group's compliance offices. In this case, the recipient of the report will, at the request of the whistleblower, guarantee confidentiality. Employees who report compliance breaches in good faith must not incur any negative consequences of any kind whatsoever. The foregoing also applies to any other person furnishing important information of this kind pertaining to the investigation of misconduct. However, the voestalpine Group expressly reserves the right to take disciplinary action against employees who raise false accusations deliberately or through gross negligence.
- b) As a part of the Group's compliance structure, the Group compliance office is setting up a web-based whistleblower system for reporting compliance breaches. This whistleblower system is intended to afford employees the opportunity to report compliance breaches on an anonymous basis as well as directly. Whistleblowers are assured full confidentiality when reporting a breach under their name. The web-based whistleblower system can be used to report breaches only for the following areas:
- Antitrust law
  - Corruption
  - Fraud (fraud, misappropriation, embezzlement, and theft)
  - Conflicts of interest

This system does not handle reporting of other topics and crimes. Other topics and offences should be reported to the contacts listed in sub-paragraph 6a).

- c) Processing of cases reported either through the whistleblower system or directly will be handled by the Group compliance office or by the responsible Divisional Compliance Office, pursuant to the division of responsibilities set out in sub-paragraph 5a) of this manual.
- d) Persons accused in a whistleblower's report will be informed as soon as possible by the responsible compliance officer after the data for this person have been recorded. If, however, there is a risk that informing the accused person could affect the ability to carry out an effective investigation into the accusation or could compromise the collecting of the required evidence, then it is possible to refrain from informing the accused person as long as these risks exist.

The accused person has the right to access and, if justified, rectify the information, whereby the accused person will not receive any information about the identity of the whistleblower – unless it has been demonstrated that the whistleblower has entered false information with malicious intent.

Data about accused persons will be deleted at the latest two months after the investigation has ended insofar as there are no other consequences that require the data to be saved for a longer period of time.

## 07 Responsibility for implementation, effective date

- a) The Group and Divisional Compliance Officers are responsible for implementing these Group Guidelines.
- b) This Directive entered into force on September 26, 2011 and was last revised in October 2012.

**The Management Board of voestalpine AG**

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