

13.2 ENVIRONMENTAL INVESTMENTS

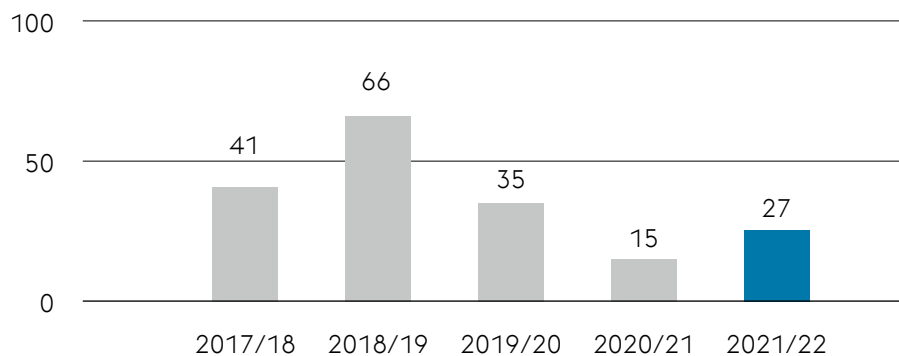
The voestalpine Group boosted its environmental investments in the business year 2021/22 by 75%, from EUR 15.3 million to EUR 27 million.

This substantial increase serves to return capital expenditures of this nature to previous levels. In the two prior business years (2019/20 and 2020/21), the distortions and uncertainties

arising from the COVID-19 crisis led to a strong decline in investments overall, thus also resulting in lower environmental investments. In the reporting period (2021/22), voestalpine invested mainly in preparations for the fundamental technological transformation (see the “Climate Action” chapter) as well as in steps to cut CO₂ emissions and boost energy efficiency.

ENVIRONMENTAL INVESTMENTS

In millions of euros



A Group-wide project to install photovoltaics (PV) units with an output of just under 61 MWp (megawatt peak) on a surface of about 310,000 m² was launched in the business year 2021/22. It is an important milestone in achieving sustainable captive power generation. The total electricity that these PV units generate per year would allow an average electric vehicle to circumnavigate the earth 10,000 times. Additional PV units are already being prepared.

voestalpine’s Steel Division already wants to cover its customers’ growing demand for green steel as best as possible using currently available technologies. To achieve these aims, the division is optimizing three aspects of production: The process. The raw materials mix. The energy

used. Over and above the very first delivery of CO₂-reduced steel under the greentec steel edition from the plant in Linz, Austria (as described in the “Climate Action” chapter), at the end of calendar year 2021 the first climate neutrally produced tool steel rolled off the assembly line at the Hagfors facility of the High Performance Metals Division in Sweden. Extensive technology was developed and implemented to this end: Liquefied natural gas (LNG) is replaced with fossil fuel-free liquefied biogas (LBG), and green electricity or fossil fuel-free diesel (HVO100) is used to power all transportation within the plant. This cuts carbon dioxide emissions by up to 90%. voestalpine purchases additional emissions allowances to offset the small amount of CO₂ emissions that remains, because a type of carbon that cannot yet be eliminated stays in

the metal scrap and graphite. The environmental action projects being funded this way are certified under the Gold Standard for the Global Goals (GS4GG). Hence they not only contribute to climate action but also to achievement of additional UN sustainability targets (SDGs). voestalpine's Hagfors facility plans to achieve complete climate neutrality by 2030 and to apply the same approach to its entire value chain by 2035.

The Metal Engineering Division has taken a number of steps to continue cutting its energy consumption. For example, this involved optimizing the blast furnace gas (BFG) network at the Group's plant in Donawitz, Austria—its most energy intensive. It expanded the degree to which the facility's captive power plant can utilize the resulting BFG to generate captive energy by some 7,000 MWh annually. Improvements in the waste heat network further enhanced the captive power plant's efficiency. Optimizing the fuel preheating process made it possible to boost captive power generation by an additional 4,000 MWh per year.

Construction of a new rotary hearth furnace stack for heat extraction purposes is being planned at the facility in Kindberg, Austria. This investment will make it possible in the future to feed up to 15 GWh to the envisioned district heating plant that will supply the city of Kindberg.

Furthermore, a multitude of measures were put in place at several Metal Engineering Division plants to further optimize the use of materials, hydrological circuits, and clean air activities. Just as at other Group facilities, here, too, work continued on projects related to the electromobility charging infrastructure, the shift to electric vehicles and forklifts for inter-facility transportation, the thermal refurbishment of production floors, and the retrofitting of facilities with energy-saving LED lighting.

The Metal Forming Division, which manufactures innovative products for PV units, among other things, aims to achieve climate-neutral production by 2035. Its Kematen and Böhlerwerk facilities in Lower Austria cover their need for electrical energy through their own hydropower plants on the Ybbs River and certified renewable energy. New PV units were installed to further increase the amount of captive energy generated. The division is carrying out a comprehensive energy reduction project in collaboration with an industrial partner. This includes lowering its need for electricity and natural gas, for instance, by replacing inefficient drives and engines, installing heat pumps to recover energy, and using district heating to heat both production and administrative facilities.

Over and above the aforementioned preparations for the greentec steel investment project and the first CO₂-reduced products, in the business year 2021/22 the Steel Division successfully cleared all remaining areas related to the legacy pollution clean-up project on the area of the former coking plant.