

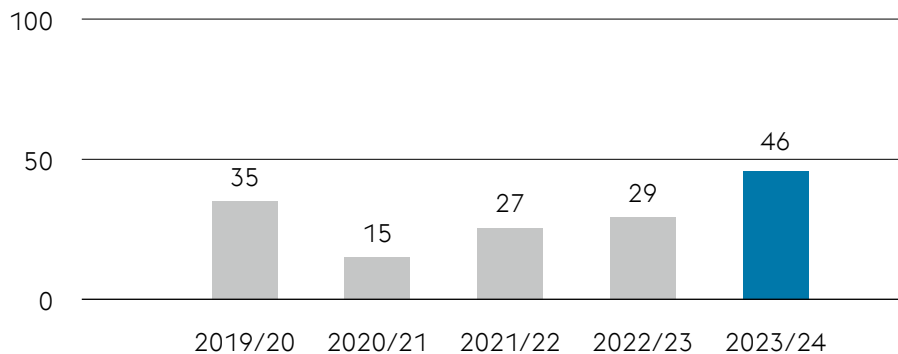
## 13.2 ENVIRONMENTAL INVESTMENTS

At EUR 45.8 million, investments in environmentally relevant facilities in 2023/24 were significantly higher than in the previous business year (EUR 28.9 million). These investments served pri-

marily to expand captive renewable energy production, boost energy efficiency, and further reduce emissions.

### ENVIRONMENTAL INVESTMENTS

In millions of euros



The High Performance Metals Division's sites are continuously working to reduce energy consumption and increasingly cover their needs from renewable sources. Among other projects, a 187.5 kWp photovoltaic system was installed at the Johannesburg site in South Africa in the 2023/24 business year. Initiatives to replace fossil fuels with sustainable alternatives are also underway at production sites. These include projects for the production of biomethane and the evaluation of the effects of hydrogen as an energy source on the products and processes of the High Performance Metals Division. At the Hagfors plant in Sweden, 50% of natural gas requirements are already covered by biomethane, and the process of converting heat treatment furnaces to electricity is being accelerated.

The High Performance Metals Division is continuously driving forward improvements in energy efficiency. Around 70 GWh of energy was saved

this way in the last year. The measures implemented include the optimization of combustion technology, the conversion of heating technology in ovens, the installation of efficient LED lighting systems, various optimizations of the system control, and numerous process improvements.

The High Performance Metals Division has set itself the target of reducing CO<sub>2</sub> emissions (Scope 1 and Scope 2) by 50% by 2029 compared to 2019. Progress and target achievement are monitored using a detailed roadmap based on individual projects.

The new stainless steel plant in Kapfenberg in Austria makes a significant contribution towards reducing the environmental impact and sets new standards worldwide with its highly efficient technology, closed water circuits, and efficient heat extraction. Options for leveraging the remaining energy-saving potential at sites that produce crude steel conventionally are

limited. Nevertheless, significant progress has been made at the Metal Engineering Division's Donawitz site in Austria. A newly installed system for preheating combustion air results in energy savings of 27,000 MWh per year. In addition, the implementation of a natural gas expansion machine reduces the annual energy requirement by a further 2,200 MWh by converting the energy from the pressure difference between the external and internal gas network into electricity, thereby enabling this to be used. Measures were also implemented to generate our own renewable electricity at the site. PV systems were installed e.g. on the plant restaurant and an industrial building, which feed the electricity generated directly into the plant grid.

The expansion of PV system capacity is underway at the Metal Engineering Division's site in Kindberg in Austria. Heat losses were minimized in the reporting period by optimizing processes and improving exhaust gas recirculation at various heating units. Another highlight at the site is the extraction of district heating, which will be able to feed up to 15,000 MWh into the district heating network of the town of Kindberg when completed, significantly reducing the use of primary energy in the region.

PV systems were also installed at various sites in the Metal Forming Division. Elevated tracks produced by us ("iFIX" and "SadeF Solar Structures") were used in many cases. Several locations also switched to energy-saving LED hall lighting, which further reduced electricity consumption.

In addition, voestalpine Precision Strip GmbH has increased the proportion of electricity generated in-house by modernizing the company's own hydroelectric power plants and installing a PV system. The use of waste heat from the company's own facilities and waste heat from the neighboring company (sector coupling) for hall heating reduced natural gas consumption and thus CO<sub>2</sub> emissions.

Work on greentec steel is already well underway in the Steel Division. Construction of the electric arc furnace began in the past calendar year. Work has already begun on the new power supply using the microtunneling method and a new conveyor belt bridge has been installed for raw materials supplies.

In addition to greentec steel, the division also focused on expanding its own renewable energy generation. A further PV system with an output of almost 1,400 kWp was commissioned for instance in the past 2023 calendar year on the foundry's production hall.

Another key focus was on the CO<sub>2</sub>-reduced product portfolio. voestalpine already started back in calendar year 2021 to offer all flat steel and heavy plate products manufactured at the Linz (Austria) plant in a greentec steel edition also. These products have a carbon footprint that is around 10% lower thanks to optimization measures in process management, such as the use of scrap and reducing agents, and the use of renewable electricity, thereby enabling more than 200,000 tons of CO<sub>2</sub> to be saved along the entire value chain since the start of the project. In addition to the automotive industry, steel produced this way is already being used by customers in areas that include façade construction, building technology, crane construction, and the heating and heat pump industries.