

Luxembourg, 20.06.2024

Environmental and Social Data Sheet

Overview

Project Name:	VOESTALPINE STEEL INNOVATION RDI
Project Number:	2023-0811
Country:	Austria
Project Description:	The project concerns the promoter's R&D program over a 4 year period (2024/25-2027/28). The project aims to improve the promoter's long-term competitiveness by investing in R&D activities with a focus on (i) smarter iron and steelmaking processes with a lower footprint and (ii) new high-tech steel and special steel products.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project comprises selected EU based Research, Development and Innovation (RDI) activities in the promoter's strategic business areas covering its financial years 2024/25-2027/28. It also comprises the investment into small scale R&D related pilot plants, an innovative installation for iron ore reduction and one for hydrogen compression and storage. The selected R&D activities and programs are carried out in the fields of (i) smarter iron and steelmaking processes with a lower footprint and (ii) new high-tech steel and special steel products. Examples of these RDI activities are:

- R&D on low carbon iron and steelmaking with reduced environmental and carbon footprints
- R&D on new high-tech steel grades with superior mechanical properties among others increasing lifetime of and resource efficiency in final products
- R&D on innovative rails and turnout systems

The R&D activities will be carried out primarily in existing R&D facilities of Voestalpine. These types of activities are not mentioned in the Annexes of the EIA Directive; 2014/52/EU amending 2011/92/EU.

The beforementioned capital expenditures into the two pilot plants are installed within its existing integrated steel plant in Linz, Austria. The extension of the pilot plant related to the hydrogen generation, compression and storage has received its environmental permit and did not require an EIA according to Directive 2014/52/EU amending 2011/92/EU. The pilot plant for the innovative iron ore reduction process is small scale and expected to only have minor impacts on environment. Hence, the latter is not expected to require an EIA nor a screening according to Directive 2014/52/EU amending 2011/92/EU.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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In addition, biodiversity or nature conservation issues are not touched upon, as the project's activities will be carried out within the borders of existing R&D facilities or manufacturing facilities.

The project's results will entail, if successful, significant GHG emissions reductions through the development of less carbon intensive iron and steelmaking technologies or more resource efficient products. Many of the promoter's steel products play an important role in electric mobility or renewable energy generation and one of the promoter's units focuses railway infrastructure products and solutions. Hence, the associated R&D activities support the shifts towards low carbon mobility, low carbon iron and steelmaking and renewable energy for example.

The promoter also claims that a significant share of its R&D activities are relevant for climate change, environmental protection and sustainability more broadly.

The project is fully in line with the Paris Agreement according to its latest definition in the EIB's Climate Bank Roadmap, as the investment concerns R&D for the development of innovative steel products and more sustainable iron and steel production processes. Parts of the promoter's R&D activities are related to products primarily dedicated to the oil and gas sector (~ 5% of overall R&D activities). These have been identified and are excluded from the project scope.

EIB Paris Alignment for Counterparties (PATH) Framework

- In terms of the PATH framework, the counterparty Voestalpine AG is in scope and screened-in, because it is considered to be high emitting.
- The counterparty is assessed by TPI to meet, short-, medium- and long-term targets in line with the 1.5° pathway and hence meets the requirements of the EIB PATH framework with its existing alignment plan. The counterpart is screened out for resilience.
- The counterparty is not involved in any 'incompatible activities' as defined in the EIB's PATH framework.
- The counterparty is assessed as meeting the Bank's PATH low carbon and resilience requirements.

Other Environmental and Social Aspects

76% of its production plants, which account for 96% of the Groups' entire production volume, have implemented an environmental management system pursuant according to ISO 14001 or the EU's Eco Management and Audit Scheme (EMAS). All of the promoter's production site have an occupational health and safety management system in place and 76% (representing 80% of its employees) are certified according to ISO 45001. The promoter intends to further increase the latter in the coming years. Sustainability is an integral part of the promoter's RDI activities, the promoter also intends to implement tools in the coming years which will allow researchers to assess sustainability of their R&D activities in a systematic way and to the check them against the group's sustainability priorities.

Conclusions and Recommendations

In case the promoter is notified by one of the competent environmental authorities that – contrary to current knowledge and expectation – one of the components constituting the project should require an EIA, a copy of such EIA needs to be sent to the EIB once established.

The project is not expected to result in significant additional negative environmental and social impacts. It is therefore considered acceptable for Bank financing.