Luxembourg, 23 October 2012

Environmental and Social Data Sheet

Overview

Project Name:	VOESTALPINE R&D (RSFF)
Project Number:	20120259
Country:	Austria
Project Description:	The project consists of: (i) Voestalpine's R&D activities in steel products, production processes and applications focusing on the development of new steel grades, processing, annealing and coating methods, as well as new joining techniques to bond high-strength steel of different grades and other materials and (ii) the construction of a new commercial size annealing and coating pilot plant featuring proprietary process innovations for high strength and high-performance electrical steel. If successful, this pilot plant can be considered a first commercial application. Most of the R&D activities will be carried out in the promoter's R&D centres in Linz, Leoben, Krems and Kapfenberg in Austria. The R&D component encompasses the expenditures from 2012 up to and including 2014. Construction for the coating line has started in 2012 and will be finalised by the end of 2013.

EIA required:	NO
Project included in Carbon Footprint Exercise[1]:	NO

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project concerns:

(i) investments in research, development and innovation that will be carried out in existing facilities which are already authorised. An EIA is therefore not required by Directive 2011/92/EU. The project is expected to have only minor negative impacts on the environment, while the expected products, process improvements and technical applications resulting from these R&D activities are expected to bring significant positive environmental results in terms of increased product life cycles, energy efficiency and hence indirectly energy reductions,

(ii) the construction of an industrial size pilot plant for the continuous coil annealing and hot dip coating for high strength and high performance electrical steel. This project part would fall under annexe II of Directive 2011/92/EU and has been screened out by the competent authority by way of granting a change authorisation. It is not expected to have more than minor negative impacts on the environment directly. Indirectly, the products expected to derive from this plant will contribute significantly to electrical motor efficiency with respective energy savings.

The project is well acceptable for Bank financing.

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

Environmental and Social Assessment

Environmental Assessment

Project: The R&D project components comply with national and EU legislation. The R&D activities are expected to have only minor environmental impact The EIA is not required. Biodiversity issues are also not expected as the activities will be carried out in the existing facilities. On the other hand, the expected improvements in product qualities and processes will lead to environmental benefits, in particular by reducing weight of the components produced and by achieving energy efficiency gains.
The construction of an industrial size pilot plant for the continuous coil annealing and hot dip coating for high-strength and high-performance electrical steel falls under annexe II of the Directive 2011/92/EU and consequently has been screened out by the competent authority as this project part is covered by a change authorisation based on an existing authorisation, project documents and the relevant BREF. It is not expected to have more than minor negative impacts on the environment directly. Indirectly, the products are expected to contribute significantly to better electrical motor efficiency with associated energy savings. It is built within the promoter's existing location in Linz; biodiversity issues are therefore not expected. Once successfully operational, the plant will manufacture products contributing to significantly reducing energy consumption of electric motors.

General: The promoter has a well-established environmental organisation with professional experts. All Voestalpine production sites have certified environmental management systems conforming with ISO 14001. The main production sites Linz and Steyrling of the main producing subsidiary Voestalpine Stahl GmbH are also covered by EMAS. For the last financial year Voestalpine has reported environmental capital investment of EUR 32 million and environmental operating expenses of EUR 212 million.