

## **PRESS RELEASE**

March 22, 2022

### **Supervisory Board gives the green light: voestalpine starts construction for climate-friendly steel production in Austria**

**In its meeting today, the Supervisory Board of voestalpine AG took the first important decision on its path from the coal-based blast furnace route to steel production using electric arc furnaces powered by green electricity: in summer 2022 the Group will start clearing the necessary construction areas and converting infrastructure at its two sites in Linz and Donawitz. The estimated investment costs during this first phase fall in the low triple-digit million-euro range.**

Next year the Supervisory Board will take the final decision to invest in the two electric arc furnaces (EAF), construction of which will begin in 2024. By early 2027, one electric arc furnace at each Linz and Donawitz site should commence operations. From today's standpoint, the total investment costs will run to around one billion euros. Converting to EAFs allows carbon emissions to be significantly reduced, by around 30 percent. This corresponds to a saving of around 3 to 4 million tons of CO<sub>2</sub> a year, or almost 5% of Austria's annual carbon emissions.

"greentec steel is the clear plan we have developed to decarbonize steel production, and is broadly ready to start. However, the corresponding framework conditions, such as sufficient quantities of renewable energy at competitive prices and efficient power grids, are needed if we are to adhere to this timetable," says Herbert Eibensteiner, Chairman of the Management Board of voestalpine AG. Interest in "green steel" is steadily growing. "A market for green steel is emerging in Europe. A particular driver behind this development is the European automotive industry."

#### **greentec steel for a successful future**

voestalpine has reduced its air emissions and energy consumption to the minimum technologically possible over the past decades. Only a radical technological transformation will allow any further significant reduction in carbon emissions. greentec steel is voestalpine's contribution to achieving the climate goals. Specifically, in a first step from 2027, the steel and technology group is planning to gradually shift from the coal-based blast furnace route to steel production using green electricity.

Over the long term, voestalpine's mission is carbon neutral steel production using green hydrogen, for which it is already undertaking intensive research into promising breakthrough technologies.

#### **The voestalpine Group**

voestalpine is a globally leading steel and technology Group with a unique combination of materials and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its premium products and system solutions, it is a leading partner to the automotive and consumer goods industries as well as the aerospace and oil & gas industries; it is also the world market leader in railway systems, tool steel, and special sections. voestalpine is fully

## voestalpine AG

committed to the global climate goals, and its greentec steel program represents a clear plan for decarbonizing the production of steel. In the business year 2020/21, the Group generated revenue of EUR 11.3 billion, with an operating result (EBITDA) of EUR 1.1 billion; it had about 48,700 employees worldwide.

### **Please direct your inquiries to**

voestalpine AG  
Mag. Peter Felsbach  
Head of Group Communications | Spokesman

voestalpine-Strasse 1  
4020 Linz, Austria  
T. +43/50304/15-2090  
peter.felsbach@voestalpine.com  
[www.voestalpine.com](http://www.voestalpine.com)