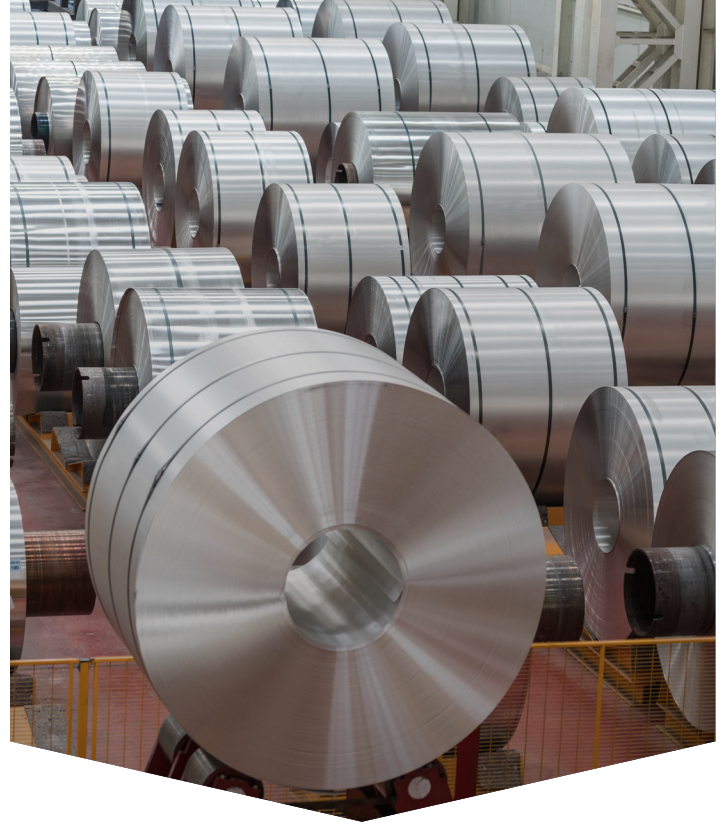




**MISSION  
POSSIBLE  
PARTNERSHIP**

# NET-ZERO STEEL INITIATIVE



## OBJECTIVE

The Net-Zero Steel Initiative (NZSI) aims to put the global steel sector on a path to reach net-zero emissions by 2050 by:

- Bringing zero-carbon primary steel production technologies to market by 2030
- Accelerating the growth of scrap-based production
- Ensuring that no new high-carbon assets are built after 2030

“Steel is deeply engrained in our society. The construction of homes, schools, hospitals, bridges, cars, and trucks—to name just a few examples—rely heavily on steel. Steel will also be an integral ingredient for the energy transition, with solar panels, wind turbines, dams, and electric vehicles all depending on it to varying degrees. Since 1970 global demand for steel has increased more than threefold and continues to rise as economies grow, urbanise, consume more goods, and build up their infrastructure.”

International Energy Agency

## THE CHALLENGE

Steel is a critical component in our infrastructure and our lives. However, the global steel sector accounts for almost a quarter of industrial CO<sub>2</sub> emissions and 7 percent of total energy sector emissions (including process emissions).

Total global steel production is forecast to grow 30 percent by 2050. Under current conditions and if no action is taken, corresponding global carbon emissions from iron and steel production could rise to 7.5 percent of total global emissions and 34 percent of the industry sector emissions.

Addressing the climate impact of the steel sector has been debated for more than a decade, but fundamental economic production and trade competitiveness issues remain unresolved.

The Energy Transitions Commission’s report, Mission Possible, has demonstrated that with immediate collective action from public and private stakeholders, achieving net-zero CO<sub>2</sub> emissions in sectors like steel is technically and economically possible by mid-century.

## THE MISSION POSSIBLE PARTNERSHIP

The Energy Transitions Commission, RMI, the We Mean Business Coalition, and the World Economic Forum launched the Mission Possible Partnership (MPP) in 2021 to accelerate the decarbonization of industries representing 30 percent of global emissions. MPP is an alliance of climate leaders focused on driving faster decarbonization in industrial sectors. Our goal is to propel a committed community of CEOs from carbon-intensive industries, together with their financiers, customers, and suppliers, to agree—and more importantly, to act—on the essential decisions required for decarbonizing industry and transport in this decade.

**MPP represents a step-change in ambition.** It brings together a remarkable group of business leadership coalitions, public sector institutions, and expert organizations in an unprecedented collaboration to support growing CEO appetite for net-zero transformation. Our work builds on growing momentum, investor pressure, consumer expectations, and analytical tools to design and execute net-zero pathways for industries, their customers, their suppliers, and their capital providers.

## OUR APPROACH

Addressing the climate impact of the steel sector has been debated for more than a decade, but fundamental economic production and trade competitiveness issues remain unresolved. NZSI attempts to tackle these issues through a unique end-to-end supply chain perspective, built by partnering with an international group of steel industry leaders. It offers a truly international and “Net-Zero 2050” frame of reference as well as a focus on demand and supply dimensions.

The initiative will work alongside and build on existing efforts—including dialogues led by industry associations, international roadmaps, labelling initiatives, R&D partnerships, and corporate efforts. It will reflect the perspectives of ambitious players and demonstrate how steel can be a key part of a net-zero economy.

MPP will bring together ambitious industry leaders and their suppliers, customers, and capital providers, along with the relevant governments. The initiative provides a platform for these stakeholders to align on a net-

zero transition pathway for the steel industry. It will also shape a favourable environment for investment in decarbonisation solutions, underpinned by supportive policy frameworks, rising demand for low-emissions steel, and financial flows toward the steel transition. With this level of collaboration and engagement, the Partnership will be able to secure mutually reinforcing commitments to action from all stakeholders. MPP’s actions in each sector will follow a variation of its four-step process:

### STEP 1.

Convene a critical mass of ambitious industry leaders and agree on a shared vision for sector decarbonization.

### STEP 2.

Leverage existing analysis to develop a sector-specific, viable, high-ambition roadmap to net-zero emissions by 2050 that will be a collaborative exercise with the industry and other stakeholders.

### STEP 3.

Develop commitments to action that tie concrete actions to the net-zero roadmap milestones, therefore embedding the roadmap in corporate strategies.

### STEP 4.

Build the market infrastructure needed to track and support ongoing implementation of these ambitious commitments via metrics, standards, and toolkits, as well as rigorous implementation of best-practice public disclosure.

# MAJOR OBJECTIVES FOR 2021

## Step 1

### NET-ZERO COALITION BUILDING

Convene high-ambition stakeholders from across the global steel value chain to create a community with a shared purpose and drive to progress steel decarbonisation at scale.

#### Deliverables include:

- Alignment on the MPP vision and three-year workplan of the NZSI
- Recruitment of relevant non-EU partners to capture a diversity of Steelco perspectives
- Engagement with a broader set of policymakers, buyers, and finance players

## Step 2

### NET-ZERO ROADMAP

Develop a comprehensive, open-source, industry-validated roadmap to net-zero emissions by 2050, compatible with a well-below 2°C scenario, to serve as a reference point across the sector.

#### Deliverables include:

- A new analytically robust “open-book” net-zero roadmap that is developed in collaboration with industry, which will lay out in five-year increments the feasible pace of deployment of decarbonisation solutions, necessary investments, and policy and demand prerequisites
- An international and industry-backed publication of net-zero pathways assessment

## Step 3

### POLICY ENGAGEMENT

Debate and articulate statement(s) to governments in critical steel-producing and consuming geographies from a unified group of leading industry players across the steel value chain (with a particular focus on Europe, Japan, Korea, China, India, and the United States). The goal will be to create a coherent set of policy positions across regions that reflects the international competitiveness challenges.

## Step 4

### SEEDING DEMAND SIGNALS

Engage with end-use markets to assess the potential for early differentiated low-emissions steel markets. Collaborate with other initiatives to develop private and public demand for low-emissions steel that will effectively underpin the first wave of investment in low-emissions primary production.

## Step 5

### TRANSITION FINANCE

Unlock investment in the first wave of low-emissions primary steel production assets by laying out the financing challenges that low-emissions investment poses and working with the steel and finance industries to develop appropriate solutions.



# OPPORTUNITY FOR FUNDERS

The Mission Possible Partnership is in need of forward-thinking philanthropists to invest in this partnership. An investment in MPP and the Net-Zero Steel Initiative today will help put the global steel sector on a path to reach net-zero emissions by 2050. To secure its 2021 deliverables—including commitments to action from industry players, engagement from buyers, and finance and policy engagement—NZSI is seeking funding of \$2 million per year. This funding will support resources needed to run the sector platform, engage critical stakeholders, and provide the financial, policy, and facilitation expertise needed to reach the sector's goals.

With this critical support, NZSI can propel a committed community of CEOs from the steel sector, together with their financiers, customers, and suppliers, to agree and act on the essential decisions required for decarbonizing this sector and look toward a sustainable future for this industry and the planet.



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