

SECTORS



Auto Manufacturers

Early movers have emerged in the autos sector.

- Using green steel would have a negligible impact on retail prices for high-end vehicles.
- Some automakers already have initiatives to switch to green steel.
- A key obstacle for domestic players is that most EV producers are not yet profitable.
- Demand from 22 leading companies could reach 4.7 million to 7 million tonnes by 2030, or 5.7-8.5% of projected auto sector steel use.



Property Developers/Construction Companies

Buildings account for 56.5% of total steel consumption.

- Green building certification will increasingly incentivise developers to switch to green steel.
- Buyers are already willing to absorb 'green costs' for premium buildings in major Chinese cities.
- Industry fragmentation means collaboration is required to spur green technology investment by steelmakers.
- Demand could rise to 1.4m-2.7m tonnes by 2030.



Renewable Energy Producers

Renewables are driving rapid growth in steel demand due to tripling target capacity.

- Green steel production offers a significant potential market for renewable energy companies.
- No clean energy companies currently exploring green steel agreements.
- Higher cost of green steel has a minimal impact on LCOE over lifetime of wind turbines.
- Green steel demand can reach 1m tonnes by 2030.

RESULTING HIGHLIGHTS



Defined "green steel" using Responsible Steel Decarbonisation Progress Level 2 as the threshold

Green steel demand from identified leaders accounts for 0.7% and 1.3% of projected total domestic demand by 2030:

7 million tonnes

Autos
4.7 million to 7 million tonnes

2.7 million tonnes

Buildings
1.4 million to 2.7 million tonnes

1 million tonnes

Renewables
720,000 tonnes to 1 million tonnes

VITAL NEXT STEPS

Transforming potential into firm demand signals

- ✓ Send clear signals to boost suppliers' confidence
- ✓ Sign multi-year offtake agreement
- ✓ Form an alliance to negotiate collective procurement agreements for fragmented sectors
- ✓ Secure green steel supplies by offering financing to steel suppliers, including equity investments/joint ventures
- ✓ Set publicly disclosed targets to increase the quantity of green steel used

Financial institution support for green steel procurement



Investors

Engage with company management, encouraging companies to set deadlines for reducing supply-chain emissions as well as for switching to green steel.



Commercial banks and other financial institutions

Support buyers of green steel by offering products that tie financing costs to green steel purchases and the resulting reduction in emissions.