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EXECUTIVE SUMMARY: RAISING AMBITION ON STEEL DECARBONISATION[1]

2023 STEEL POLICY SCORECARD

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Governments are starting to act to decarbonise steel, but are moving far too slowly. Our 2023 Steel Policy Scorecard shows that the world's leading industrialised countries and major steel producers need to be more ambitious.

2024 is a critical year for moving this agenda forward.

> **Brazil**, a potential future green iron powerhouse, is hosting both the G20 and the Clean Energy Ministerial. It should put international collaboration on green industrial supply chains on the agenda.

> **Italy**, front-runner on steel recycling and with only one major carbon-intensive primary steel site remaining, is hosting the G7. It could advance the G7 Industrial Decarbonisation Agenda adopted in 2021. G7 cooperation would lower the costs of the global transition to net zero industries.

Other key recommendations for collective efforts include:

> Set emissions reduction targets and agree on sectoral roadmaps.

> Move from ambition to implementation on building a market for green steel.

> Scale up investment and improve lead times for deployment of clean energy infrastructure.

> Pursue partnerships to kick-start green iron trade and commit to providing finance, engaging in technology cooperation and opening up procurement and offtake arrangements internationally.

[1] This is an Executive Summary of the **report of the same name**, published February 2024. A separate document with individual country profiles is available on the same page.

Headline findings from our 2023 analysis

The E3G Steel Policy Scorecard assesses how countries are deploying eight policy levers that collectively can reduce carbon emissions from steelmaking. This second edition of our analysis shows limited progress across the board, and little change from the first edition.

The 2023 Steel Policy Scorecard comparison

	Policy direction & clarity	Market signals		Material efficiency & circularity	Building demand		Infrastructure	
		Public funding	Carbon pricing		Green steel definitions	Public procure-ment	Hydrogen & CCS* for steel	Clean power for steel
Germany	B–	A	B+	C+	B+	B–	B+	B+
France	A	B+	B+	C+	C–	C–	B+	A–
Italy	C	C+	B+	C+	C	C+	B+	B+
UK	C+	B–	C+	C–	B	C+	C+	B+
Canada	C+	B–	C+	C–	C+	B	B–	B
US	B–	C	C–	C–	C+	C+	C+	A
Japan	B–	B–	C–	C+	C	C	C+	C
China	B–	C+	C	B–	C+	C–	C+	C–
South Korea	A–	C+	C+	B–	C–	C–	C–	C–

*CCS = carbon capture and storage

- > **Despite the lack of policy ambition, the steel sector transition is already underway in key G7 countries.** None are planning to add new coal-based steelmaking, and several are developing transition plans.
- > **Public funding for the steel transition is patchy, reflecting different levels of fiscal resources and approaches.** There is a lack of targeted support to help steel sites transition away from coal-based capacity.
- > **Material efficiency and circularity continues to be an under-exploited policy lever.** Countries outside the G7 are showing more leadership than G7 countries.

- **Public procurement and standard setting remains one of the weaker categories**. Countries need to shift from stating ambition and making pledges, to implementing legislation.
- **Higher scores for clean energy infrastructure among G7 countries** reflect that their power systems decarbonisation is well underway. These countries are also more likely to prioritise the steel sector in clean power and hydrogen infrastructure developments.
- **The global nature of the steel sector and its supply chains limits the effectiveness of policy measures targeted at national level alone.** Well-coordinated international efforts and trade policy are key to successfully decarbonising the steel sector.

About the 2023 Steel Policy Scorecard

We assessed countries against eight policy levers in five categories. The scores and methodology were cross-checked with partners in each country assessed.

The cutoff date for the analysis was 1 November 2023.

We expanded both the scope of the assessment and the range of countries from our first analysis in 2022.

- The new clean power lever recognises that greening electricity consumption and planning for rising power demand is central to the steel transition.
- Some categories were expanded to allow more granular analysis.
- We analysed four additional countries beyond the G7: China, India, South Korea and Brazil. Better understanding of non-G7 contexts can improve policy design and international cooperation.
- China and South Korea were explicitly scored and included in the Scorecard alongside the G7 countries.
- India and Brazil were not included in the Scorecard, in recognition of their different levels of economic development and fiscal resources.

The full 2023 Steel Scorecard report provides detailed analysis of the findings, and what these imply for progress in steel decarbonisation.

The individual country profiles provide deep dives on all 11 countries analysed.

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About E3G

E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

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