CLEAN STEEL PARTNERSHIP ROADMAP

15 July 2020

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This Roadmap is a living document and can be subject to further revision and updates.

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List of acronyms and abbreviations

AiSBL	International non-profit association under Belgian law
BB	Building block
BF	Blast Furnace
BOF	Basic Oxygen Furnace
BTX	Benzene Toluene Xylene
CCU	Carbon Capture and Usage
CCUS	Carbon Capture, Utilisation and Storage
CDA	Carbon Direct Avoidance
CE	Circular Economy
cPPP	Contractual public-private partnership
CO	Carbon Monoxide
CO_2	Carbon Dioxide
CSP	The Clean Steel Partnership
DG CLIMA	Directorate-General for Climate Action
DG ENER	Directorate-General for Energy
DG ENV	Directorate-General for Environment
DG GROW	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG R&I	Directorate-General for Research and Innovation
DR	Direct Reduction
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
ESTEP	The European Steel Technology Platform
ETS	The EU Emissions Trading System
EU	The European Union
European Green Deal	Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions,
EUROFER	The European Steel Association

GDP	Gross Domestic Product
GHG	Greenhouse Gas
GVA	Gross Value Added
H_2	Hydrogen
HBI	Hot-briquetted Iron
HM	Hot metal
ICT	Information and communications technology
IoT	Internet of Things
KPI	Key Performance Indicator
KWh	Kilowatt-hour
Mt	Million Metric Tonne
N_2	Nitrogen
NOx	Nitrogen oxides
PI	Process Integration
PPP	Public-Private Partnership
R&D&I	Research, Development, and Innovation
R&I	Research and Innovation
RFCS	The Research Fund for Coal and Steel
SCU	Smart Carbon Usage
SDGs	The Sustainable Development Goals
SPIRE	The contractual Partnership "Sustainable Process Industry through Resource and Energy Efficiency"
TRL	Technology Readiness Level
UN	United Nations

Executive summary

The Clean Steel Partnership is developed in the context of the EU goal and policies to **achieve climate neutrality by 2050 - the European Green Deal, the Clean Planet for All strategy and the Paris Agreement.** It will thus contribute to **fighting climate change** and moving towards climate neutrality by 2050, a zero-pollution ambition for a toxic-free environment and a circular economy using digital technologies as an enabler and new forms of collaboration. Steelmakers are committed to reducing their emissions and thereby contributing to the achievement of the EU climate targets.

The steel industry is an important engine of **sustainable growth**, **value-added** and **high-quality employment** within the EU, both directly and indirectly as discussed below. Steelmakers participate in wider value chains including sectors which are crucial for the **EU competitiveness**, like construction, automotive, mechanical engineering, energy generation and networks, mobility, and defence. Also, steel is a material enabling the deployment of green energy technologies, and thereby vital in the path to a climate-neutral EU. Finally, steel is infinitely recyclable, and its residues and waste energies can become valuable resources, thus contributing to a **circular EU economy.**

The Clean Steel Partnership nurtures the **long-term vision** of supporting the European leadership in the transformation of the steel industry into a **climate-neutral sector**. The steel industry has set itself the following vision for **CO_2 emissions reductions compared to 1990 levels**:

- Develop technologies reducing CO_2 emissions from steel production by 50% by 2030; and
- Develop deployable technologies that can reduce CO_2 emissions by 80-95% by 2050, ultimately achieving climate neutrality.

Therefore, the **general objective** of the Partnership is to develop technologies at TRL8 to reduce CO_2 emissions stemming from EU steel production by 80-95% compared to 1990 levels, ultimately leading to climate neutrality. This will contribute to the EU effort towards a climate-neutral continent. At the same time, this objective is to be achieved while **preserving the competitiveness** and viability of the EU steel industry and making sure that EU production will be able to meet the growing demand for steel products. This general objective is in line with the climate ambitions and commitments set by the **European Green Deal**, the UN's 2030 **Sustainable Development Goals**, and the **Paris Agreement**.

The decarbonisation efforts made so far by the steel industry need to be stepped up and integrated into a single-minded and coherent framework by a renewed research, development, and innovation (R&D&I) strategy for clean steel. An essential element of such a strategy will be to move from lower technology readiness levels (TRLs) to an **industrial-scale deployment**. This entails coordinating the research, sharing the risk that certain technologies do not prove effective, and contributing to offset the higher production costs that come with the deployment. A partnership is therefore needed to overcome the barriers to R&D&I investments in the steel industry and ensure that available technologies are deployed.

R&D&I activities supporting the achievements of the Clean Steel Partnership's objectives can be classified according to two different levels:

- **Six areas of interventions** comprising different technological pathways (and combinations thereof) to decarbonise the EU steel industry as well as enablers and support actions. Hydrogen and/or electricity will be considered to replace fossil carbon in steelmaking. If fossil carbon is used, CO_2 emissions will be captured and processed for utilisation or storage. In addition, higher levels of circularity will be explored by focusing for instance on the recycling of steel, the usage or recycling of residues, and resource efficiency.

- **Twelve technology building blocks**, which can contribute separately to the areas of intervention, or jointly to enable a higher level of CO_2 emission reduction in steel production.

The Clean Steel Partnership proposes a **three-stage R&D&I approach** to accelerate carbon mitigation in the steel industry:

- Stage 1 targets projects that generate ‘immediate’ CO_2 reduction opportunities;
- Stage 2 focuses on those projects that may not be ‘immediately’ implemented in the installed base, but allow for a quick evolution towards improved processes; and
- Stage 3 looks at those projects that can ‘revolutionise’ the steel industry through breakthrough development, and require significant capital investment in new processes.

Based on the estimated industrial efforts from the steel sector in R&D&I projects falling within the scope of this Roadmap, the total resource requirement is estimated at around **EUR 3** billion between 2021 and 2030. Due to the collaboration among steel producers, reasonable synergies are expected compared to the company by company approach, thus reducing the **investment need** to approximately **EUR 2.55 billion** for the next decade (up to 2030). For the Partnership period of 2021 to 2027, the **‘wider boundary’,** i.e. the estimated collective investment needs, amounts to **EUR 2 billion**, and the remaining funding (estimated to be EUR 0.55 billion) will be allocated to the period immediately after the Clean Steel Partnership, i.e. **2028-30**, where some projects will still be completed. Though the relative contributions from the Union and national budgets can only be discussed at a later stage, the collective investment managed within the **scope** of the Clean Steel Partnership would be at least **EUR 1.4 billion**. The overall budget is expected to finance 16 projects resulting in building blocks at TRL7, 12 projects resulting in building blocks at TRL 8 and 4 demonstration projects. The Clean Steel Partnership is expected to generate both **direct and indirect leverage effects** for additional investments.

A strong effort will be required by sectoral players even beyond the Clean Steel Partnership to realise its potential of drastically reducing CO_2 emissions while ensuring that the EU steel industry remains a global leader in clean technologies. The resources deployed via the Clean Steel Partnership and the subsequent investments will ensure the delivery of demonstrators combining several building blocks in the various areas of intervention.

The objectives and impacts of the Clean Steel Partnership are in line with the pathways of Horizon Europe and will generate a number of results in different spheres, namely:

- **CO_2 reduction.** The steel sector will be able to develop, upscale and roll out new technologies that could reduce CO_2 emissions from EU steel production by 50% by 2030, compared to 1990 levels.
- **Industry and EU competitiveness**. The support for the deployment of the decarbonisation technologies will allow the EU to remain a global leader in the steel industry and to reinforce its knowledge-based competitive advantage.
- **Resource efficiency**. The partnership enables the coordination of technological progress in the use of steel scrap and by-products, leading to an enhanced, larger use of those resources.
- **Jobs and skills**. the Partnership will support the preservation of high-quality jobs in the steel making value chain.

Significant EU added value in the Clean Steel Partnership is generated by the new coordinated framework towards a modern and sustainable steel industry. In this context, the Partnership will ensure a strong commitment from all actors of the steel value chain in all Member States towards decarbonisation, thus leading to synergies and a **high degree of additionality**. Furthermore, the Partnership's openness and transparency can generate additionality by **cross-fertilising both suppliers and customers**. To achieve these results, the Partnership will collaborate with other Horizon Europe Partnerships as well as other funding programmes.

The Clean Steel Partnership will be established between the European Commission (public side) and the European Steel Technology Platform (ESTEP) on behalf of the entire European steel value chain community (private side). It will be centred around the so-called '**Partnership Board**' featuring representatives from both the public and private side and in charge of discussing and approving the periodic Work Programmes and ensuring compliance with the vision, ambition, objectives, and research programme laid down in the Roadmap. The so-called '**Implementation Group**' will be the general assembly of the Clean Steel Partnership. Decisions made by the Implementation Group will need to be discussed and proposed to the public side of the Partnership and finally approved by the Partnership Board. The work of the Implementation Group will rely, among others, on the inputs of **specific 'Task Forces'** composed of technology experts from organisations that are members of the Partnership as well as external experts. The Implementation Group will also be supported by **two external bodies**:

- Expert Advisory Group, composed of technical experts of steelmaking and related technologies, including, among others, academics and leading researchers
- Stakeholder Forum, including relevant stakeholders that are not members of the Partnership but may contribute to the successful implementation of the Partnership.

The decarbonisation of the steel industry requires a **coordinated approach across all countries, technologies, and steel plants**. Therefore, the impact of the Partnership will be maximised by involving all relevant stakeholders and remaining open to new partners. ESTEP and the Clean Steel Partnership are **open to the entire European steel value chain community**, i.e. to all EU based steel stakeholders comprising steel producers, steel processors, customers, suppliers, plant builders, research and academia, and civil society representatives.

Chapter 1: Vision

Summary

Context

- The Clean Steel Partnership is designed to tackle two major challenges: fighting against climate change and ensuring sustainable growth for the EU. In line with the European Green Deal, the Clean Planet for All strategy and the Paris Agreement, it takes an integrated approach to fight climate change and aims at moving towards climate neutrality by 2050, a zero-pollution ambition for a toxic-free environment and a circular economy.
- Decarbonising the steel sector is vital to a thriving, sustainable, and circular EU economy. The steel sector made a strong commitment to reducing its emissions and thereby contributing to the achievement of the EU energy and climate targets.
- A European partnership offers a wide range of opportunities:
  - Achievement of an EU climate-neutral steel production;
  - Export of low-carbon steel making technologies to external markets;
  - Less dependence on fossil energy and feedstock;
  - Securing of the EU strategic industry's value chains;
  - Know-how spill-overs to other industries; and
  - Smart use of resources and realisation of a circular economy model.

R&D&I issues and the need for a partnership

- Hydrogen and/or electricity will be considered to replace fossil carbon in steel making. If fossil carbon is used, CO_2 emissions will be captured and processed for utilisation or storage. In addition, higher levels of circularity will be explored by focusing for instance on the recycling of steel, the usage or recycling of residues, and resource efficiency.
- A partnership is needed to ensure that available technologies are deployed by overcoming the following barriers to R&D&I investments:
  - Key bottlenecks: the transition from pilot phase to industrial-scale deployment, long investment cycle, high capital intensity and competitive global market;
  - The 'funding gap' between research and deployment of technologies calling for significant support of the public sector;
  - External and wider industry factors: requirement of zero-carbon electricity and hydrogen, availability of geological storage of CO_2, carbon leakage outside the EU.

Vision and ambition

- The long-term vision of the Partnership is to support the European leadership in the transformation of the steel industry into a climate-neutral sector:
  - Intermediate step: developing technologies reducingCO_2 emissions from steel production by 50% by 2030 compared to 1990 levels;
  - Final ambition: reducing CO_2 emissions by 80-95% by 2050, ultimately achieving climate neutrality.

Objectives

- General objective: to develop technologies at TRL8 to reduce CO_2 emissions stemming from EU steel production by 80-95% compared to 1990 levels by 2050, ultimately leading to climate neutrality.

- Six specific objectives, to be achieved in 7 to 10 years, will support the obtainment of the general objective.

1.1 Context

The Clean Steel Partnership is developed in the context of the European Union (EU) goal to achieve climate neutrality by 2050 and to move towards a zero-pollution ambition for a toxic-free environment and circular economy. This policy entails two major challenges: on the one hand, **climate change** must be tackled, by reducing the amount of CO_2 emissions; on the other, this must be done by ensuring that our society continues benefiting from **sustainable growth.** The Clean Steel Partnership can contribute to both accounts, as described in the remainder of the Section, while at the same time ensuring that several opportunities are grasped, for the competitiveness of both the industry and the EU.

1.1.1 Climate change

The EU has since long acknowledged the need for substantive and timely measures to combat climate change and stressed its commitment to do so through several increasingly ambitious frameworks, agreements, and policies. The latest step has been the **European Green Deal**[1] presented by the European Commission in December 2019, following and further deepening previous visions, such as the 'Clean Planet for All' Commission strategy.[2] The European Green Deal also reaffirms the EU's vision of a global effort against climate change, which is exemplified in commitments like the United Nations (UN) Sustainable Development Goals (SDGs) or the Paris Agreement. **Partnerships are one of the tools that the Commission intends to deploy to achieve the European Green Deal targets**.[3]

The European Green Deal is an integral part of the EU strategy to achieve the UN's 2030 Agenda and SDGs. The Agenda aims to provide a global blueprint for peace and prosperity and consists of 17 goals. Among those, **the Partnership can contribute to the Sustainable Development Goals** related to sustainable production and consumption, and in particular to the urgent fight against climate change.[4] Under the Paris Agreement, the EU has committed to limit the temperature rise well below 2°C, and to pursue efforts to limit the temperature increase to 1.5°C, a commitment that will require pursuing the ultimate goal of climate neutrality by 2050. Figure 1: GHG emissions trajectory in a 1.5°C scenario illustrates the necessary reduction of greenhouse gas (GHG) emissions to meet the targeted temperature rise. Furthermore, the figure shows the significant share of emissions caused by the European industry sectors and thereby stresses the role industry must play in a collaborative effort to reduce CO_2 emissions. Such a **collaborative effort will be necessary**, as the European Green Deal underlines that current policies will not suffice in reaching the targets. Figure 2, on the other hand, shows the different global temperature warming

[1] European Commission (2019), the European Green Deal, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, 640. Hereinafter also: 'European Green Deal'.

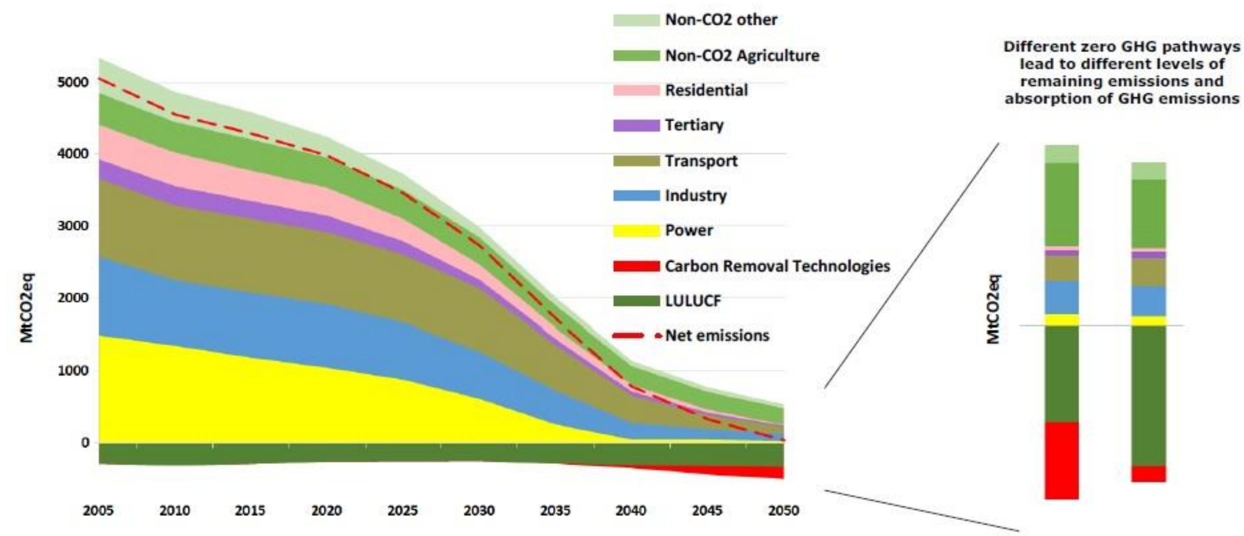
[2] European Commission (2018), A Clean Planet for All: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral company, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, 773.

[3] European Green Deal, p. 8.

[4] The SDGs to which the Partnership can contribute include: SDG 8 – promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for, SDG 9 – build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation, SDG 12 – ensure sustainable consumption and production patterns, and SDG 13 – take urgent actions to combat climate change and its impacts.

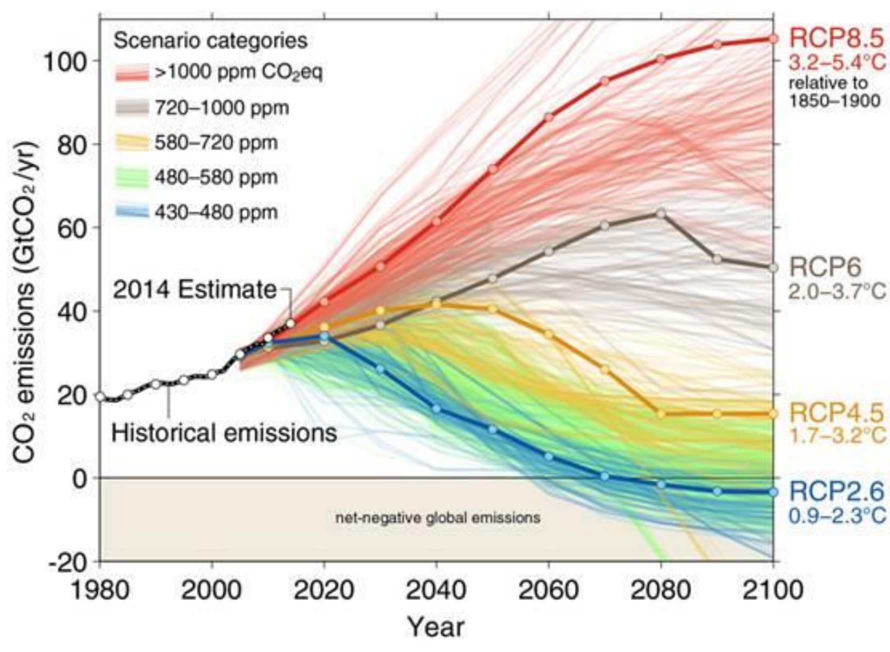
scenarios in relation to the level of annual CO_2 emissions. Further underlining the need for urgent and significant action.

Figure 1: GHG emissions trajectory in a 1.5°C scenario



Source: 'A Clean Planet for All' Commission Strategy.

Figure 2: Scenarios of global warming depending on CO_2 emission levels

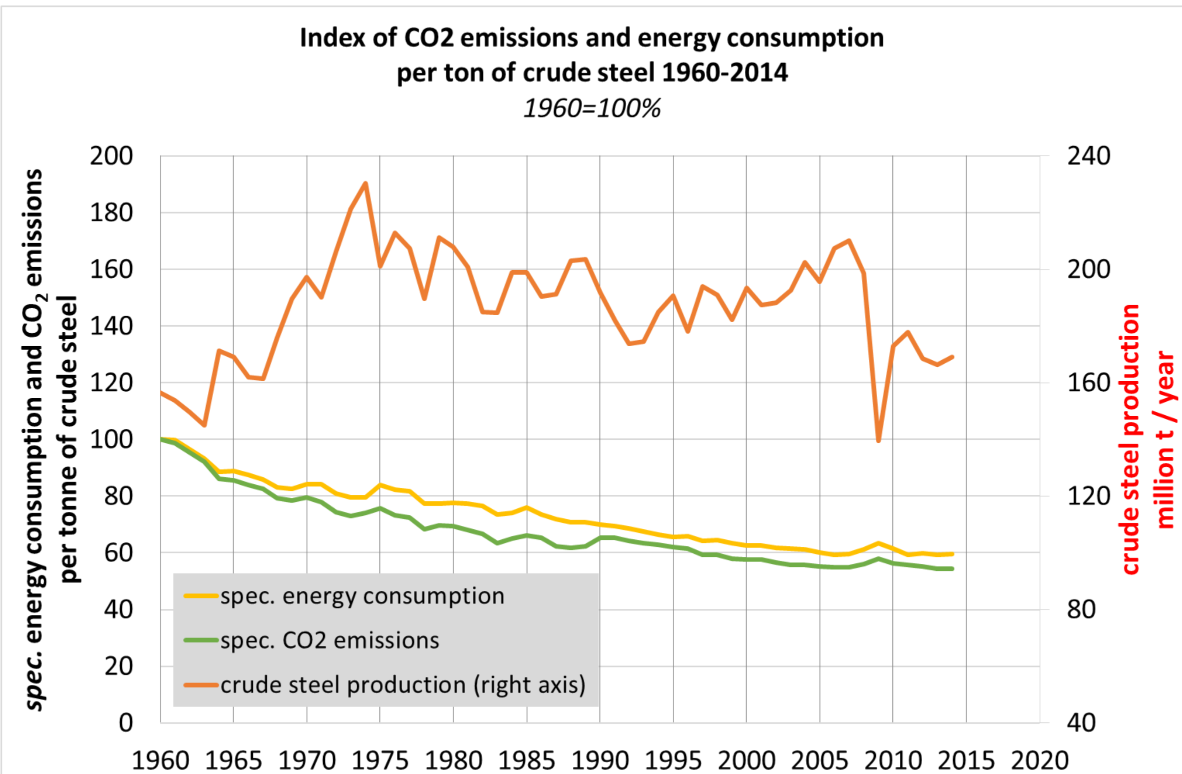


Source: CDIAC/GCP/IPCC/Fuss et al 2014; done by EOI.

As a significant contributor to those emissions, **the steel sector must play a key role** in such collaborative efforts. Looking at the EU Emissions Trading System (ETS), the steel industry is responsible for about 20%

to 25% of industrial CO_2 emissions covered.[5] Steelmakers have a high commitment to reducing their emissions and thereby contributing to the achievement of the EU energy and climate targets. The steel industry commitment has been shown by the sector's position at the forefront of Research and Development and Innovation (R&D&I) into breakthrough technologies to reduce the climate footprint for many years.[6] Figure 3 shows the past industry efforts in reducing CO_2 emissions, without reducing production. The orange line shows the approximate crude steel production, while the yellow and green lines indicate roughly the energy consumption and CO_2 emissions per tonne of produced crude steel. The precise numbers are varying on the source and way of measurement, but the figure presents very well the decreasing energy and CO_2 intensity of steel production. The efforts made so far, however, need to be stepped up and integrated into a single-minded and coherent framework, which can be better managed via a partnership.

Figure 3: CO_2 and energy in steel production



Source: European Commission (2018), European Steel: The Wind of Change.

[5] There is diverging data on the exact share. Under the EU ETS, "production of pig iron and steel" accounted for 122 Mt CO_2 out of 587 Mt CO_2 for all industrial installations in 2018. Additional 11 Mt CO_2 have been emitted by "production of coke", and 13 Mt CO_2 by "production or processing of ferrous metals". For further details, please see: eea.europa.eu/data-and-maps/dashboards/emissions-trading-viewer-1. Other sources estimate the share of the iron and steel industry to be somewhat higher at about 30% of all industrial emissions, for further details, please see: Herbst *et al.* (2018), Low-carbon transition of EU industry by 2050: Extending the scope of mitigation option, Available at: set-nav.eu/sites/default/files/common_files/deliverables/wp5/Issue%20Paper%20on%20low-carbon%20transition%20of%20EU%20industry%20by%202050.pdf

[6] European Commission (2018), European Steel: The Wind of Change.

1.1.2 EU sustainable growth

While working on achieving its climate targets, the EU is aiming to foster the sustainable growth of the European economy. The European Green Deal underlines this goal by outlining an economic transition that is not only ecologically sustainable but also socially just.

The competitiveness of the steel industry must be preserved as an important engine of sustainable growth, value-added and high-quality employment within the EU, both directly and indirectly as discussed below. This is because steelmakers participate in wider value chains including sectors which are crucial for the EU competitiveness, like construction, automotive, mechanical engineering, energy generation and networks, mobility, and defence. Also, steel is a material enabling the deployment of green energy technologies, and thereby vital in the path to a climate-neutral EU. Finally, steel is infinitely recyclable, and its residues and waste energies can become valuable resources. In a nutshell, **steel is vital to a thriving, sustainable, and circular EU economy**, as repeatedly recognised in EU policies.[7] Some of these aspects can be evidenced with the following **key facts on steel**:

- The steel sector represents around 95% of all metals produced;[8]
- With an output of 168 million tonnes of crude steel per year (level year 2018), the EU is the second-largest producer in the world;[9]
- The steel sector in Europe has an annual turnover of EUR 166 billion and is responsible for 1.3% of EU GDP;[10]
- Steel is a genuine EU industry with 500 production sites across 23 EU countries and employed 320,000 people directly in 2018. The total number of jobs enabled by the steel industry is 7.9 times the steel industry’s own employment (i.e. around 2.6 million EU jobs are supported in total);[11]
- The Gross Value Added (GVA) of steel production is EUR 20.7 billion. Total GVA supported by the steel industry is 5.8 times the steel industry’s own GVA;[12]
- Steel production in Europe is around 10% of global production (1.8 billion tonnes in 2018)[13], but Europe’s competitive position has deteriorated in recent years and prices worldwide have dropped, partly due to global steel overcapacity;

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[7] European Commission (2013), Action Plan for a competitive and sustainable steel industry in Europe, COM/2013/0407 final, available at: eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52013DC0407; European Commission (2017), Steel: Preserving sustainable jobs and growth in Europe, COM(2016)155, Available at: eesc.europa.eu/en/our-work/opinions-information-reports/opinions/steel-preserving-sustainable-jobs-and-growth-europe; and European Commission (2017), A renewed EU Industrial Policy, COM(2017)479, available at: ec.europa.eu/transparency/regdoc/rep/1/2017/EN/COM-2017-479-F1-EN-MAIN-PART-1.PDF

[8] For further details, please see: greenspec.co.uk/building-design/steel-products-and-environmental-impact/

[9] EUROFER (2019), 2019 European Steel in Figures, eurofer.org/News%26Events/PublicationsLinksList/201907-SteelFigures.pdf; p. 13.

[10] European Commission (2017), Steel: Preserving sustainable jobs and growth in Europe, COM(2016)155, Available at: eesc.europa.eu/en/our-work/opinions-information-reports/opinions/steel-preserving-sustainable-jobs-and-growth-europe; and European Commission (2017), A renewed EU Industrial Policy, COM(2017)479, available at: ec.europa.eu/transparency/regdoc/rep/1/2017/EN/COM-2017-479-F1-EN-MAIN-PART-1.PDF

[11] EUROFER (2019), 2019 European Steel in Figures, eurofer.org/News%26Events/PublicationsLinksList/201907-SteelFigures.pdf; p. 7.

[12] Ibid.

[13] Ibid., p. 13.

- The steel industry in Europe recycles about 90 Mt of scrap (20Mt in BOF and 70Mt in EAF) with a high recycling rate for relevant EU industrial sectors; construction 90%, automotive 85%, packaging 75%.

The steel production in the EU today adopts different routes with differing technologies. The production process can be broadly distinguished by two main routes:

- the so-called integrated **blast furnace (BF)-basic oxygen furnace (BOF)** route ('integrated route');
- the **electric arc furnace (EAF)** route ('scrap route').

The **viability of both the BF-BOF and EAF production routes must be preserved**, as they remain necessary to ensure the EU steel sector's capacity of delivering high-quality steel grades using different raw materials, thereby ensuring strategic capability. Hence, R&D&I needs to focus on both production routes[14]. Box 1 briefly describes the two routes.

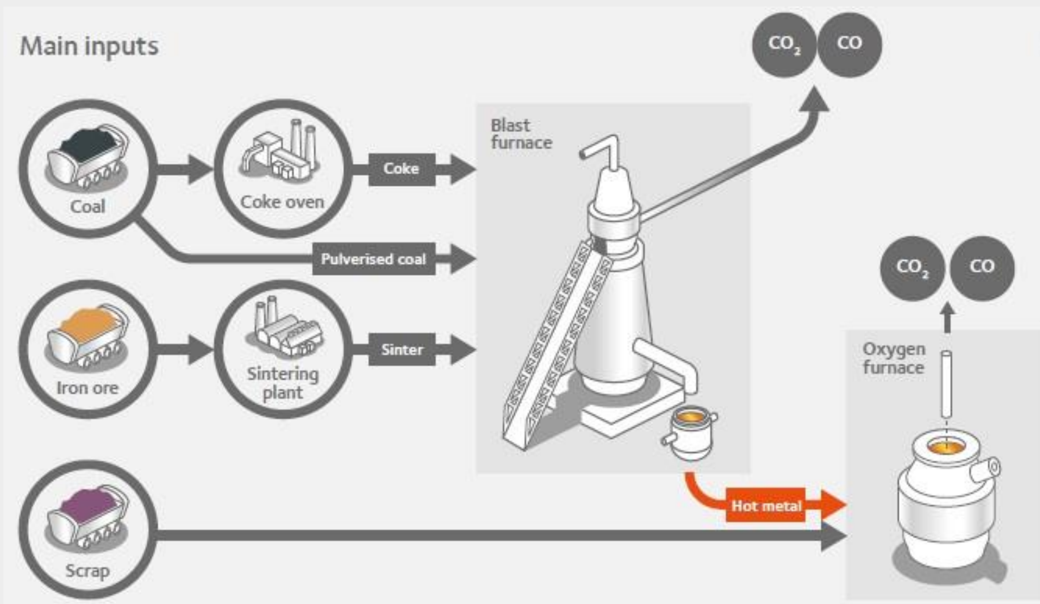
[14] In the addition to the two routes with a limited diffusion worldwide and not diffused in the EU: Smelting reduction (Corex, Finex with about 7,5 million hot metal worldwide) and Direct reduction of iron ores (see also in **Error! Reference source not f ound.**) and the use of DRI/Hot Briquetted Iron with 87 million t worldwide for steelmaking, predominantly in EAF.

Box 1: Steel production routes: BF-BOF and EAF.[15]

A general feature in steelmaking is the necessity to separate iron (Fe) from oxygen (O) in the iron ores and to remove impurities when processing hot metal to steel, and to control the carbon, and sometimes other metals in the final alloy. The impurities referred to here are primarily carbon, phosphorus, and sulphur. Not all steel is the same and its strength and ductility and specific qualities depend on production procedures. After the removal of impurities, specific qualities can be adjusted through the addition of metals like nickel, chromium, manganese, silicon, and others, thereby creating alloys.

Primary steelmaking requires the preparation of the materials that are then loaded into the blast furnace, namely coke and sinter. In the BF-BOF route, coke and sinter, together with pellets and lump ore, are placed into the top of the blast furnace and in the bottom hot air is injected. Additionally, pulverised coal is injected. A reaction of the hot air with the coke and coal leads to the formation of carbon monoxide (CO), the main agent to reduce iron oxides by extracting oxygen from iron ore. Thereby, CO_2 is formed. iron ore, supplied with coke and flux from the BF top, is reduced and melted, whereby hot metal is achieved as the final product at the BF bottom, as well as slag. In the process of making steel and removing impurities, liquid hot metal together with selected scrap is charged in the BOF, where oxygen is blown and limestone and other flux are furthermore added, which leads to slag and molten steel. BF-BOF slag can be reused in other sectors. Figure 4 illustrates the integrated steelmaking route or BF-BOF route.

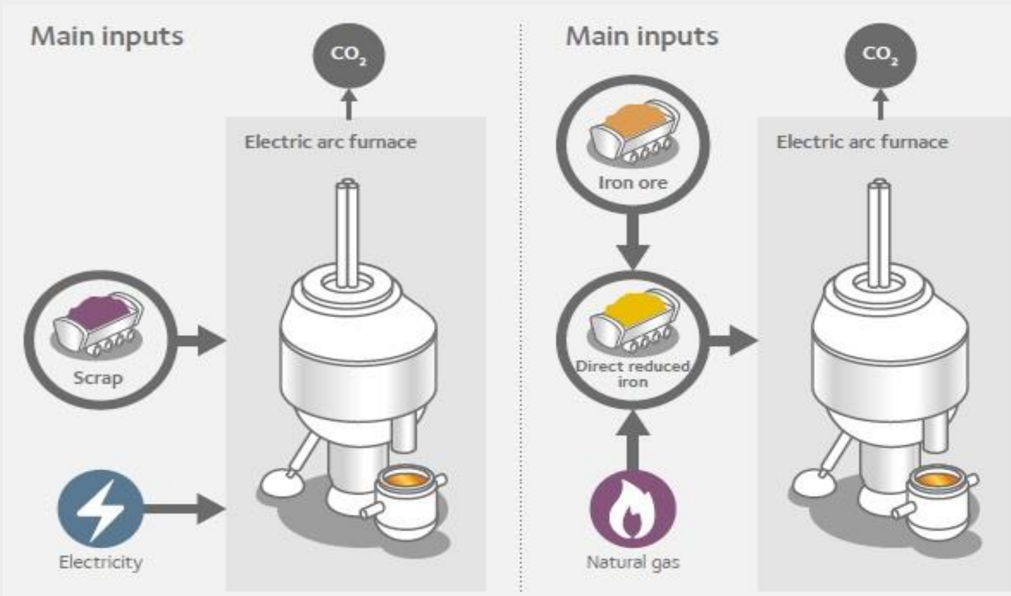
Figure 4: Integrated BF-BOF steelmaking route



Source: ArcelorMittal (2019), Climate Action Report 1: May 2019.

The EAF route relies on the recycling of steel by using scrap, which may be comprised of scrap from inside the steelworks (own scrap), cut-offs from steel product manufacturers (e.g. vehicle builders) and capital or post-consumer scrap (e.g. end-of-life products, obsolete scrap). Electric energy and additional energy from natural gas and coal are used to melt scrap within the EAF. The scrap route consists primarily of melting scrap and not extracting oxygen from iron, which makes carbon less important in this route. The consumption of carbon electrodes is the main source of direct CO_2 emissions in the EAF. As scrap may contain so-called tramp metals that would lower the metallurgical quality of the final steel product, the furnace can be charged further with pig or sponge iron to dilute them. Direct reduced iron (DRI) and Hot-briquetted iron (HBI) is also increasingly being used as a feedstock due to its lower content of undesirable metals (e.g. Cu). Similar to the BF-BOF route, slag is produced by the insertion of limestone and other flux to the EAF and thereby removing the undesirable impurities. Figure 5 shows the steelmaking route via EAF, using either scrap or DRI.

Figure 5: EAF steelmaking route, using scrap (left) or DRI (right)



Source: ArcelorMittal (2019), Climate Action Report 1: May 2019.

At this stage, process operation is involved to set the steel composition and temperature at the desired target to fit with the production needs. These actions involve alloying, heating, and also melt stirring with inert gas or Electromagnetic tools to attain steel homogenisation as quickly as possible to favour productivity.

Next, the newly formed molten steel from BOF or EAF needs to be adjusted to make the perfect steel composition. This is done by either manipulating the temperature and/or removing certain elements in the so-called secondary steelmaking, that includes processes such as degassing, stirring, ladle injection, or argon bubbling. These processes are mainly based on electric energy and produce slag that today is sometimes internally reused. Liquid steel from secondary steelmaking (subsequent secondary steelmaking is a common step) is then cast to certain shapes, dimension, and weights of crude steel (billet, blooms, slabs, ingots). These semi-finished products are formed through "hot rolling" at a temperature of about 1,300 °C. Hot rolled steel may afterwards go through various processing steps such as heat treatment, cold rolling, or surface treatment. These two steps can be integrated into the production process or can be stand-alone and are presently based on a gas combustion process using both steelmaking gaseous residues (BF, BPF of COG gases) and natural gas.

At the moment, the share of production between the two routes is split roughly 60% produced via BF-BOF route to about 40% via the EAF route in the EU.[16] Production using the EAF route is less CO_2 intensive than the BF-BOF route. For each tonne of crude steel produced with the BF-BOF process, about 1.3 to 1.8 t of CO_2 are created. One tonne of steel produced with the EAF process requires about 400-500 kWh (kilowatt-hour) electricity, 80-120 kg CO_2 direct and 250-350 kg CO_2 indirect emissions.[17]

[15] Description source: CEPS & Economisti Associati (2013), Assessment of cumulative cost impact for the steel industry – Final Report, Report for European Commission – DG Enterprise and Industry, p. 79-80; & Steel Institute VDEh (2019), Update of the Steel Roadmap for Low Carbon Europe 2050, Part I: Technical Assessment of Steelmaking Routes, p. 7-10; & ArcelorMittal (2019), Climate Action Report 1: May 2019, p. 42-43.

[16] Steel Institute VDEh (2019), Update of the Steel Roadmap for Low Carbon Europe 2050. Part I: Technical Assessment of Steelmaking Routes, p. 40; European Commission (2018), European Steel: The Wind of Change, p. 19.

[17] Ibid.

1.1.3 Opportunities

A partnership developed in the context of tackling climate change and ensuring sustainable growth will provide a framework under which a **range of opportunities** can be embraced, such as:

- supporting a climate-neutral and competitive steel production in the EU;
- exporting successful EU technologies for low-carbon steel making to large markets outside the EU (e.g. China, India, Japan, US);
- making the steel sector less dependent on fossil energy and feedstock;
- securing the presence of a strategic industry in Europe as a key part of important (future) value chains;
- enabling know-how spill-overs to other industries;
- enhancing processes for smart use of resources, which potentially further enable the contribution of the steel sector to the EU circular economy strategy.

Despite these opportunities for the steel sector, industry actors cannot address the challenges ahead and bear the necessary R&D&I alone. On one hand, the steel market is globalised and highly competitive, with EU competitors facing declining prices in recent years. On the other hand, the EU production is scattered across several Member States and plants, bearing the risk of individual results and innovations not being aligned. Indeed, the scale of the challenge, the need to coordinate a plethora of private and public actors in a workable multi-stakeholder environment, and the amount of resources envisaged suggest that any uncoordinated approaches or efforts would risk missing the objective. The Clean Steel Partnership will allow the realisation of the outlined opportunities and presents a roadmap under which the shared visions of a **climate-neutral steel sector** and a **sustainable and competitive EU economy** can be aimed for.

1.2 R&D&I issues and the need for a partnership

On the path to achieving clean steel production within the EU, there are important R&D&I challenges lying ahead. These challenges concern both the life cycle of technologies and external factors influencing technological development and the steel sector as a whole. The capital-intensive nature of steel production, the global competition, and the long investment cycle are challenges that need to be addressed immediately and in a coordinated and cooperative manner. The successes of the EU steel industry in decoupling growth from CO_2 emissions and electricity use are promising that the challenges can be overcome. The Clean Steel Partnership will provide a single-minded and coherent framework that allows the coordination and upscaling of technological efforts.

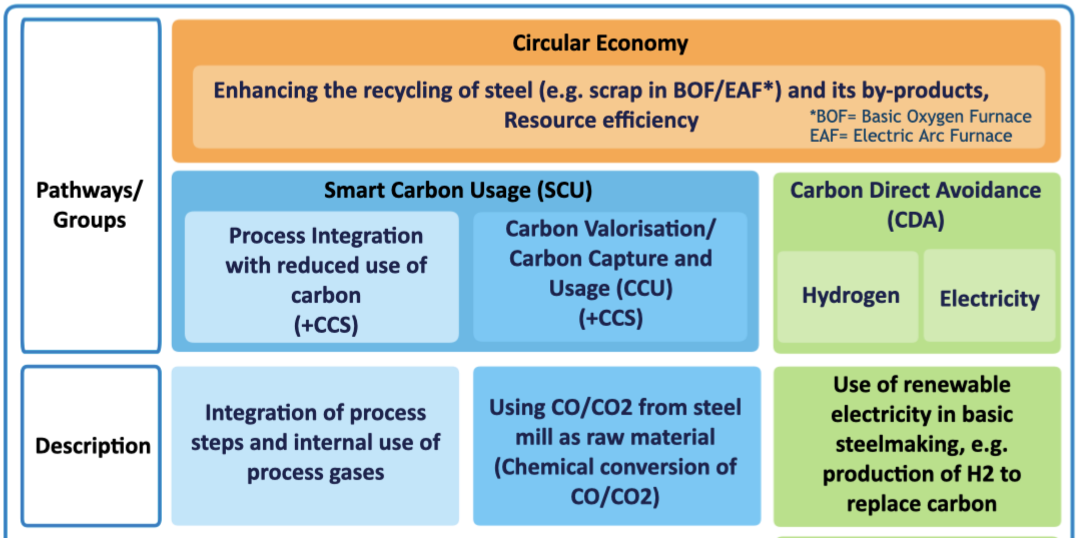
1.2.1 R&D&I general strategy

To achieve significant reductions of CO_2 emissions in the steel industry, there are **two general technological pathways** for decarbonisation:

- **Carbon Direct Avoidance** (CDA), covering technologies to avoid emitting carbon during steelmaking.
- **Smart Carbon Usage** (SCU), consisting of ways to use the carbon from steel production for other applications, via carbon capture, utilisation, and storage (CCUS) and process integration (PI);

Overarching these two general pathways are circular economy (CE) projects, working for example on the recycling of steel, the usage or recycling of residues, and resource efficiency.[18] Different groups of technological approaches can be found in each pathway, illustrated in Figure 6 below.

Figure 6: Technological Pathways and technologies to reduce CO_2 emissions of the EU steel industry[19]



Source: Low Carbon Roadmap: Pathways to a CO_2-Neutral European Steel Industry, EUROFER, November 2019.

There is no shortage of promising technologies on which an R&D&I strategy for clean steel can focus. An essential element of a renewed R&D&I strategy will be to move from lower technology readiness levels (TRLs) to an **industrial-scale deployment**. This entails coordinating the research, sharing the risk that certain technologies do not prove effective, and contributing to offset the higher production costs that come with the deployment.

1.2.2 R&D&I commitment, issues and need for partnership

Under the Horizon Europe framework, there are three types of partnerships proposed to support the wider research and innovation (R&I) framework.[20] The main idea behind all partnerships is to coordinate efforts in R&D&I in order to better address global challenges. Co-programmed partnerships, such as the Clean Steel Partnership, function on the basis of memoranda of understanding or other contractual arrangements and aim to ensure higher coordination and continuity among individual R&D&I efforts. Besides coordination and continuity via specified objectives and roadmaps, the funding opportunities of R&D&I initiatives is naturally at the heart of such partnerships as well.

The Clean Steel Partnership will follow and build upon a series of existing cooperation frameworks, Public-Private Partnership (PPPs), and other research efforts, which not only underline the high **commitment** of all parties to tackling the challenges at hand but also show the fruitful **potential** of such initiatives.

[18] Ibid, p.43.
[19] Pre-conditioning (cleaning, separation, concentration) of steel mill gas streams for PI, carbon storage and carbon use is very specific for the steel sector, furthermore the upgrade of the purified CO/CO_2 streams for CCU can be steel sector specific.
[20] More information available at: ec.europa.eu/info/horizon-europe-next-research-and-innovation-framework-programme_en#european-partnerships-in-horizon-europe.

Currently, steelmaking R&D&I supported by the EU is mainly covered by the **Research Fund for Coal and Steel (RFCS)** programme (for incremental progress) and by the contractual **public-private partnership (cPPP) SPIRE under Horizon 2020** (for industrial symbiosis, especially with chemical industries through CCU).

The following are only a small number of past and ongoing projects and programmes that have contributed to important technological developments and signify the commitment of different stakeholders:

- **ULCOS (Ultra Low-CO_2 Steelmaking)** has been a key R&D&I project financed by the European Commission between 2004 and 2010, which enabled some breakthrough technologies such as BF with top-gas recycling, a new smelting reduction process, advanced direct reduction, and electrolysis of iron ore.
- More than 150 projects in 5 different technical groups on steel under the **RFCS**.
- **PPPs at the national level**, for example **HYBRIT**, a joint venture between three companies (SSAB, LKAB, Vattenfall), co-sponsored by the Swedish Energy Agency.
- The **"Green Steel for Europe"** project, which is being funded by the European Parliament and administered by the Directorate-General for Research and Innovation (DG R&I) – Unit D3.

Despite the commitment of the actors involved and the described successes in developing breakthrough technologies, significant efforts and a holistic framework are required to meet the targets. A first R&D&I issue is that the optimisation of current processes is already very high, and the production processes are close to their thermodynamic limits. This leads to a situation where no significant emission reduction can be expected anymore under the current baseline scenario. **In this baseline scenario, the total CO_2 emissions of the steel industry would be only 10-15% lower in 2050 than in 1990**, accounting for the estimated growth in production.[21] This estimation is based on demand and production of steel increasing and therefore, despite efficiency gains, overall emissions from steel production increasing compared to today and slightly decreasing in comparison to 1990.

A partnership is needed to overcome the barriers to R&D&I investments in the industry and ensure that available technologies are deployed. **Investment cycle in the steel industry takes between 20 and 30 years**.[22] As the steel sector is very **capital intensive** and operates in a **highly competitive global market**, immediate intervention and financial certainty are necessary. A key financial R&D&I challenge right now is the so-called valley of death between research and deployment of technologies. Research financing currently focuses on primary R&D&I, while support towards industrial deployment is lacking. On one hand, research organisations do not have the scale to fully shoulder the cost of deployment;[23] on the other hand, commercial companies cannot bear the high technological and economic risks. Therefore, in the valley of death a **'funding gap'** emerges. The sharing of financial burdens and risk will be essential to enable test and approval phases by value chain partners and allow technologies to mature.

[21] Namely, the business-as-usual trajectory would cause reduction of about 10% compared to 1990 levels; a reduction of 15% compared to 1990 would be achieved with retrofitting technology and low-carbon electricity being available. For further details, please see: EUROFER (2019), Low Carbon Roadmap: Pathways to a CO_2-Neutral European Steel Industry.
[22] See 'European Green Deal', p.7.
[23] European Commission (2018), European Steel: The Wind of Change, p. 28.

Two further major challenges in connection with the technology life cycle described above are:

- The **'adoption gap**', that is the commercial diffusion of technologies that have already been deployed at industrial scale**.** The funding and adoption gaps can hit simultaneously very promising technologies, thus stifling some of the best opportunities to address the decarbonisation challenge;
- **Integration of technologies into the production system remains a challenge**. Even if the low-CO_2 technologies reach maturity, their market uptake will depend on their operational costs. On one hand, minimising those costs will have to become one of the main areas for further R&D&I; on the other hand, some form of cost compensation for green projects up to the first production and political guidelines for the use of climate-neutral steel are essential for overcoming this barrier.

The final main systemic issues that explain why a partnership is needed consist of **external factors and wider industrial challenges** surrounding the steel industry and market. These factors and challenges include both inputs that the steel sector requires to produce clean steel and the overall framework of international competition. The most important are the following:

- The production of clean steel will require the high availability of **zero-carbon electricity and carbon-free hydrogen** produced from this electricity in both CDA and SCU pathways. Despite steel production became considerably more energy-efficient in recent decades, the transformation to clean steel will require a significantly higher availability of green electricity.
- The availability of CCS, for example through **geological storage of CO_2,** will be another essential external factor, related to several technologies in the SCU pathway.
- Clean steel is expected to cost substantially more than conventional steel. In a competitive and global market environment, in which not all competitors face similar environmental regulation, the lack of public support would **put EU steelmakers at a serious competitive disadvantage**. Without a joint public-private endeavour, the path towards decarbonisation may end up in **carbon leakage**, i.e. in shifting steel production outside of the EU, resulting in a loss of jobs and growth and a negative impact on global emissions.

1.3 Vision and ambitions

The Clean Steel Partnership nurtures the long-term vision of supporting the European leadership in the **transformation of the steel industry into a climate-neutral sector.** Underlining its commitment to contribute to a common EU transition to green economic growth, the steel industry has set itself the following **long-term vision** for CO_2 emissions reductions compared to 1990 levels:

- Develop technologies reducing CO_2 emissions from steel production by 50% by 2030[24] compared to 1990 levels; and
- Reduce CO_2 emission by 80-95% by 2050 compared to 1990 levels, ultimately achieving climate neutrality.[25]

[24] Letter to Frans Timmermans from EUROFER, dated 21 February 2020

[25] Under the condition that the right political conditions are implemented. For further information see EUROFER "A Green Deal on Steel".

This vision implies that the sector will help remove more carbon than it emits itself. Provided that the EU steel sector reduces its own emissions up to 95%, its clean steel products replace more CO_2-intensive products, and it is a global leader in low CO_2 steelmaking, combined emission from steel making and downstream products will result in **negative CO_2 emission after 2050**.

To reach the steel industry's long-term visions, its **immediate and intermediate ambitions** consist of piloting and demonstrating breakthrough technologies that can significantly reduce the impact of steel production on the climate footprint.

This vision matches the EU ambitions of significantly reducing CO_2 emissions and building a sustainable and green economy in Europe. Furthermore, as the steel industry is a centrepiece of the European economy, this vision has the potential of contributing to the EU aspirations in industrial policy and economic growth.

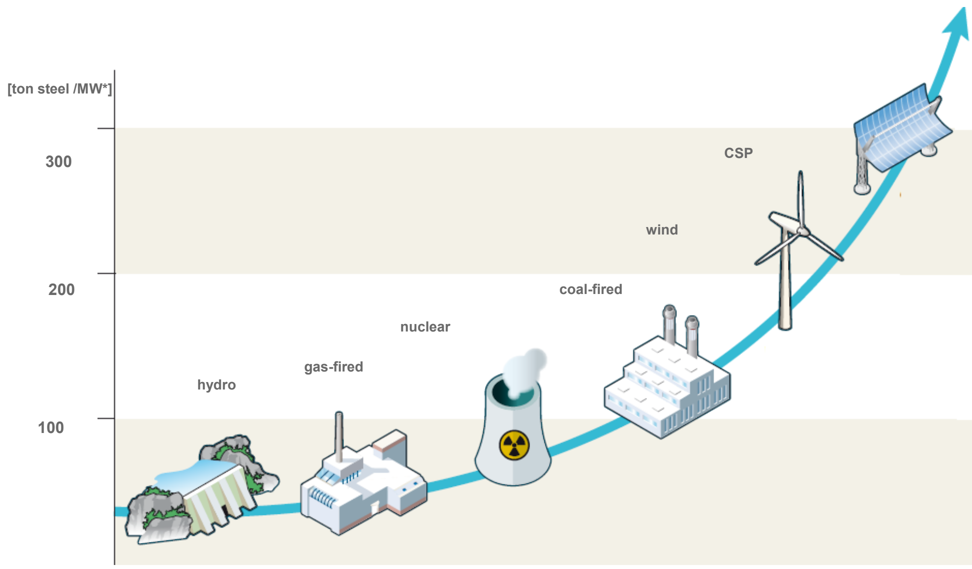
1.3.1 A system-wise vision: sustainable growth and renewable energy networks

Beyond the steel industry, other industries within the EU will also contribute to pursuing a sustainable economy. **Steel plays an important role in many industrial value chains**, such as construction, mobility, energy, or mechanical engineering.[26] The European steel industry is already a global leader in environmental sustainability and highly technologically specialised products.[27] A coordinated framework can thus entail the spreading and exchange of knowledge from the steel sector to other industries. For the EU to remain a **global leader in sustainable economic growth**, the steel industry's ambitions must, therefore, be not only to reduce its footprint by producing steel with low carbon emissions, but also to share its technological knowledge along industrial value chains. For this ambition to realise, geographical proximity is key, as the cross-industry spill-overs can take place only if a strong presence of the steel industry in the EU is preserved.

The achievement of sustainable growth will depend largely on the EU spearheading global efforts on **renewable energy**. Steel is an essential material in modern energy solutions, which is why clean steel will be instrumental to reach this common vision. Figure 7: Steel intensity of modern electricity solutions (tonnes of steel/MW installed capacity) portrays how modern green electricity technologies are more steel-intensive that vintage ones.

[26] EUROFER (2019), 2019: European Steel in Figures, p. 25.
[27] Steel: Preserving sustainable jobs and growth in Europe, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, COM(2016)155, 16.3.2016.

Figure 7: Steel intensity of modern electricity solutions (tonnes of steel/MW installed capacity)



Source: De Maré, C. (2019), The Circular Economy in 2050 – Challenges and opportunities for EAF route (keynote speech).[28]

1.3.2 The European Green Deal as a just transition

Finally, the European Commission has stressed that its vision of a sustainable economy must not come at the expense of citizens and workers, as it should be **a just transition**.[29] A strong and competitive clean steel industry will contribute to the achievement of the just transition in several ways. The European steel sector is highly important for **employment and GVA** within the EU.[30] However, the steel industry is also under heavy competitive pressure from global markets and imports to the EU from regions with less immediate decarbonisation efforts. It will be vital to ensure a competitive steel sector to secure economic growth, high-quality employment, and innovation throughout industrial value chains in the EU. The challenging tasks ahead will further require highly skilled workers, but in reverse will offer those workers employment opportunities. Furthermore, European society is currently changing, and steel is playing a crucial role in such a change. Further to CO_2-free energy production and distribution, another example is the changing mobility of citizens within urban areas, which will require the extension of **affordable urban transport infrastructure**. Steel is essential for such infrastructure, as it represents a strong, fire-resistant, and anti-corrosive material, needed for underground and open-air railway systems[31].

1.4 Objectives

The **general objective** of the Partnership is to develop technologies at TRL8 to **reduce CO_2 emissions stemming from EU steel production by 80-95% compared to 1990 levels by 2050**, ultimately leading to climate neutrality. This will contribute to the EU effort towards a climate-neutral continent. At the same

[28] See reported also in: ESTEP (2014), Sustainable steel production for the 2030s: the vision of the European Steel Technology Platform's Strategic Research Agenda (ESTEP's SRA).
[29] European Green Deal, p. 15.
[30] See Section 1.1 above.
[31] Navigant Netherlands B.V. (prepared for EUROFER) (2019), Update of the Steel Roadmap for low-carbon Europe 2050,

time, this objective is to be achieved while **preserving the competitiveness and viability of the EU steel industry** – both for BF-BOF and EAF routes and including the wider steel value chain – and making sure that EU production will be able to meet the growing EU demand for steel products. This general objective is in line with the climate ambitions and commitments set by the European Green Deal (as discussed in Section 1.1 above), the UN's 2030 SDGs (discussed more in detail in Section 3.2), and the Paris Agreement with its associated pledges.

Against this background, the Clean Steel Partnership has set specific and operational objectives that are to be **achieved in 7 to 10 years**. This timeframe is determined in accordance with the framework of the Horizon Europe Programme, which runs from 2021 to 2027. Three more years are added to the end year of the programme, as approval of new project calls can still be expected in the last years of the programme, and then followed by project completion up to 2030.

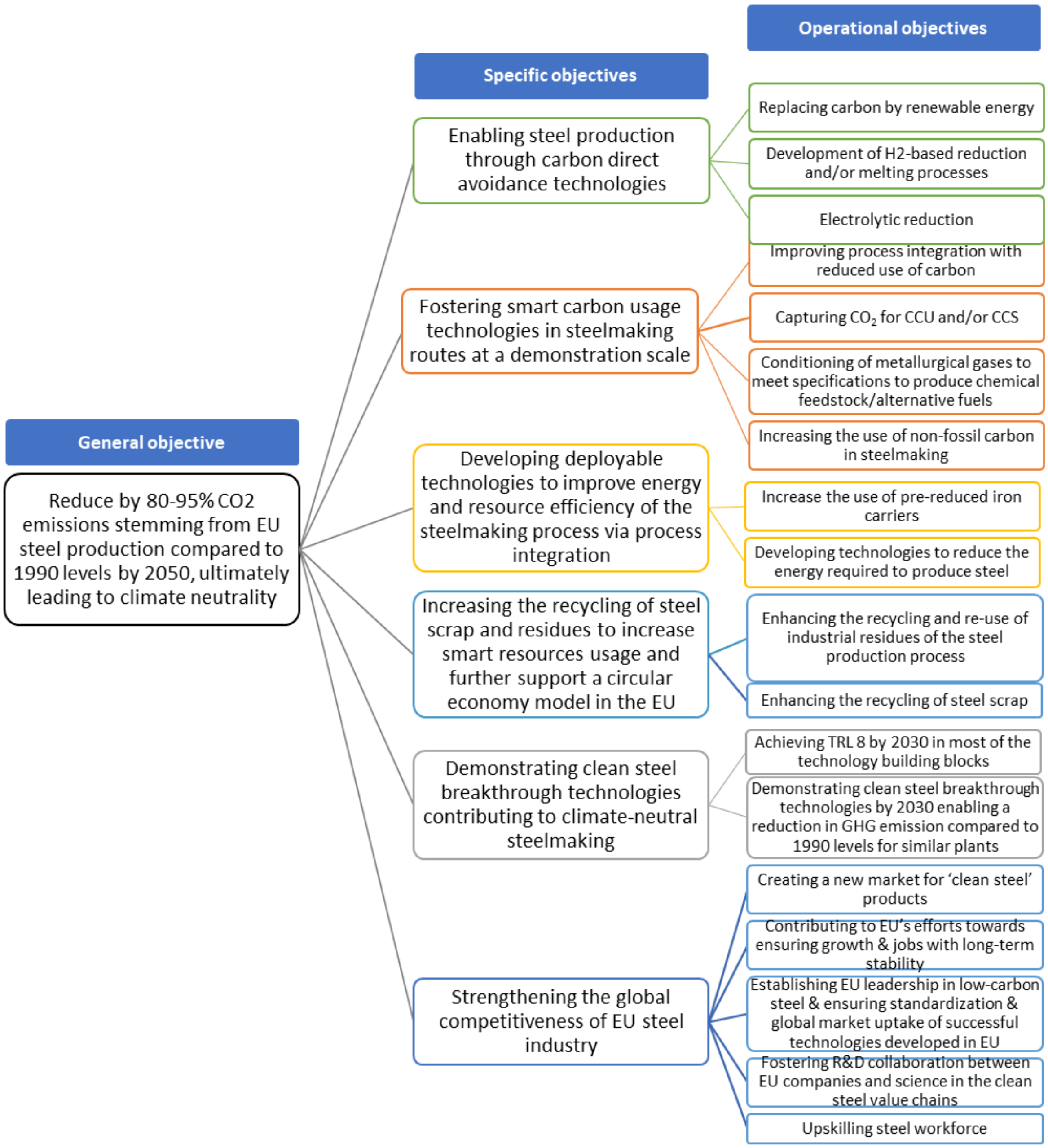
There are six specific objectives to the Partnership, each of which entails one or more operational objectives. As further discussed in Chapter 3, the operational objectives are linked to key performance indicators (KPIs) to monitor and assess their progress/achievement. The potential contribution of the projects towards the zero-pollution ambition for a toxic-free environment as expressed in the European Green Deal communication will be taken into account. The specific objectives are listed below and the respective operational objectives are shown in Figure 8, a visual representation of the links between different objective levels.

- **Specific objective 1:** Enabling steel production through carbon direct avoidance (CDA) technologies at a demonstration scale;
- **Specific objective 2:** Fostering smart carbon usage (SCU – Carbon capture) technologies in steelmaking routes at a demonstration scale, thus cutting CO_2 emissions from burning fossil fuels (e.g. coal) in the existing steel production routes;[32]
- **Specific objective 3:** Developing deployable technologies to improve energy and resource efficiency (SCU - Process Integration);
- **Specific objective 4:** Increasing the recycling of steel scrap and residues, thus improving smart resources usage and further supporting a circular economy model in the EU;
- **Specific objective 5:** Demonstrating clean steel breakthrough technologies contributing to climate-neutral steelmaking;
- **Specific objective 6:** Strengthening the global competitiveness of the EU steel industry in line with the EU industrial strategy for steel.[33]

[32] This specific objective exclusively focuses on the steelmaking process. By way of example, it does not cover projects that aim to use gases from steelmaking as a feedstock in processes of other sectors; by contrast, it does cover projects aiming to prepare/treat such gases to meet the requirements of other sectors.

[33] European Commission (2013), Action Plan for a competitive and sustainable steel industry in Europe, COM/2013/0407 final, available at: eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52013DC0407; European Commission (2016), Steel: Preserving sustainable jobs and growth in Europe, COM(2016)155, Available at: eesc.europa.eu/en/our-work/opinions-information-reports/opinions/steel-preserving-sustainable-jobs-and-growth-europe

Figure 8: Objective tree



Source: Author's elaboration on consultation with ESTEP members.

Box 2: The Steel sector's CO_2 emissions – definition of system boundaries

The **specific and total CO_2 emissions for the EU steel industry** can be calculated using various approaches resulting in different values for CO_2 emissions and energy consumption. To be able to compare and assess data of any publication, the system boundaries have to be known. In the Clean Steel Roadmap, the same system boundaries are applied as in previous steel studies and roadmaps published by EUROFER. The numbers calculated represent the total carbon footprint of the EU27/28 steel industry. The footprint can be understood as equating to all CO_2 emissions that would not take place if there was no steel industry. The steel industry has established a **standardised method of calculating emissions** in a constituent way. Figure 9 and Figure 10 show the CO_2 emissions of a steel producer following the concept of reporting on scope I, scope II, and scope III CO_2 emissions.

Figure 9: Overview on scope I, scope II, and scope III emissions of a steel producer within the Clean Steel Partnership Roadmap

Scope I Direct CO_2 emissions from facilities of the steel producers			
Sinter Plant	Ironmaking (e.g.: Blast Furnace, Direct Reduction Plant, Smelting Reduction Plant)	Steelmaking	Casting Plant
Pellet Plant			Hot Rolling Mill
Coke Oven			Cold Rolling Mill and Downstream Plants

Scope II Indirect CO_2 emissions from purchased energy
Electricity

Scope III: Indirect CO_2 emissions from the value chain (upstream and downstream), which are not included in Scope I and II purchased materials				sold materials
Pellets	DRI / HBI	Pig Iron	Graphite Electrodes	Process Gases[1]
Oxygen	Natural Gas	Coke	Lime	Slag[2]
Hydrogen	Steam	Scrap	Biomass	

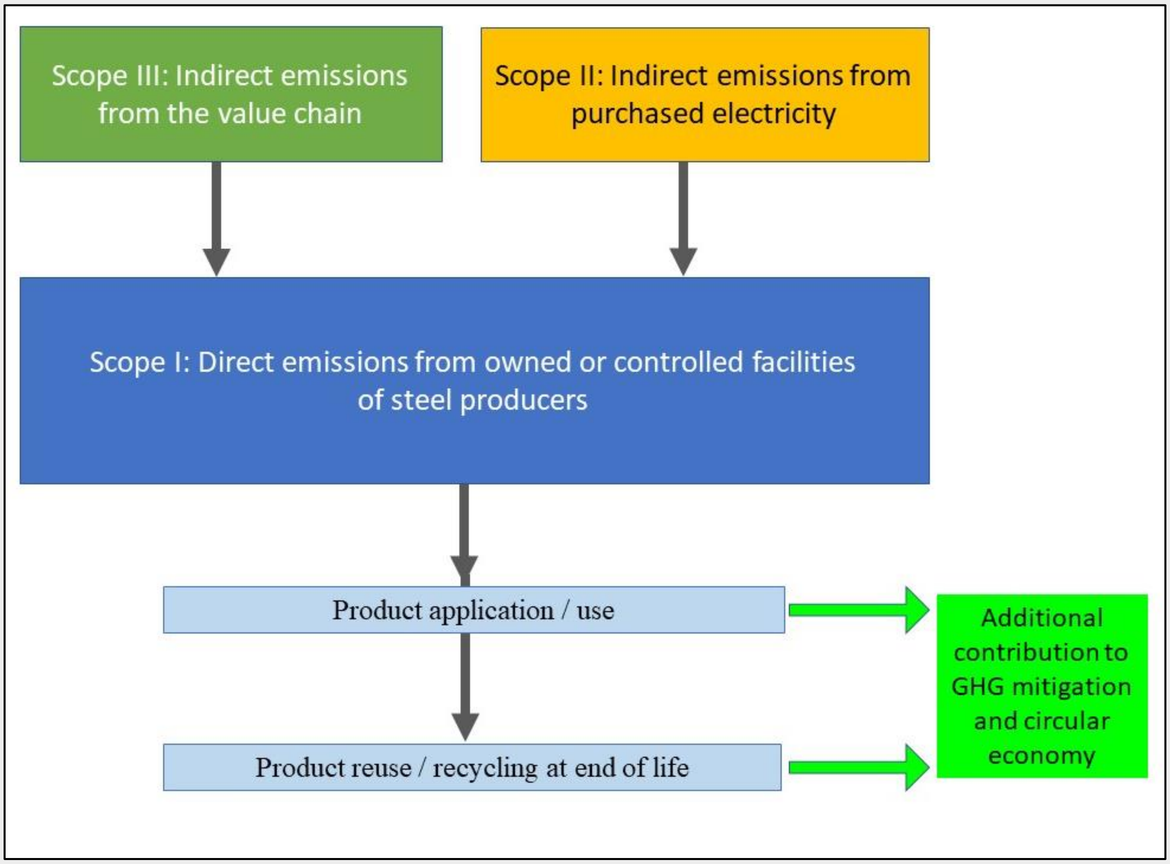
1. The utilisation of byproducts, such as process gases or waste heat, is not counted as credit because such use helps reduce the energy consumption of facilities. Only byproduct gases, that are sold to a second party can be counted as a credit, because they help to reduce emissions of a different sector.
2. Currently no credits are given for the CO2 savings through slag usage in cement production.

Source: Authors' own elaboration.

CO_2 emissions were determined by the amount of **input material consumed and output material produced** within each process step attributed to each material's carbon content. Netting input with output CO_2 flows (carbon balance) yields the direct CO_2 emissions for each step. Emissions from previous process steps are included in the next step as upstream emissions ("backpack") weighted with the amount of material needed.

Despite the high dependency on company-specific product portfolios, cold rolling and further processing of steel are also included in the system boundaries applied for the Clean Steel Roadmap. Emissions associated with the mining and transportation of raw materials are not included. By increasing the level of circularity more complex systems (e.g. industrial symbioses) will be created, which are likely to initiate a re-evaluation of the system boundaries.

Figure 10: Scheme of CO_2 emissions calculation of a steel producer and the wider perspective of product application/use and re-use/recycling



Source: Authors' own elaboration.

Most emissions are generated directly by **production processes**:

- The aggregates of the BF-BOF iron and steelmaking processes are closely intertwined, making synergies possible. Most of the residues can be recycled within the integrated steel plants (for example, oil-free mill scale, flue dust etc. can be fed into the sinter plant), making efficient use of residues.
- For Scrap-EAF, only around half of the CO_2 emissions are generated by steelmaking production processes, with the remainder coming from indirect emissions. Direct emissions are due to feedstock that contains carbon such as coal and natural gas, electrodes, and fluxes. Indirect emissions stem from purchased electricity needed for steel making in EAF, casting and hot rolling
- Works arising gases/process gases are essential for the energy management of the iron and steel production. These gases are recovered and used to save natural resources and thus contribute to reducing CO_2 emissions:
    - In the BF-BOF route, process gases occur at the coke plant, blast furnace and basic oxygen furnace. In the Smelting Reduction-BOF route, they occur at the smelting facility and BOF. Because of their calorific value, those process gases are recovered and used to substitute for natural gas in the furnaces or to generated electricity and steam.

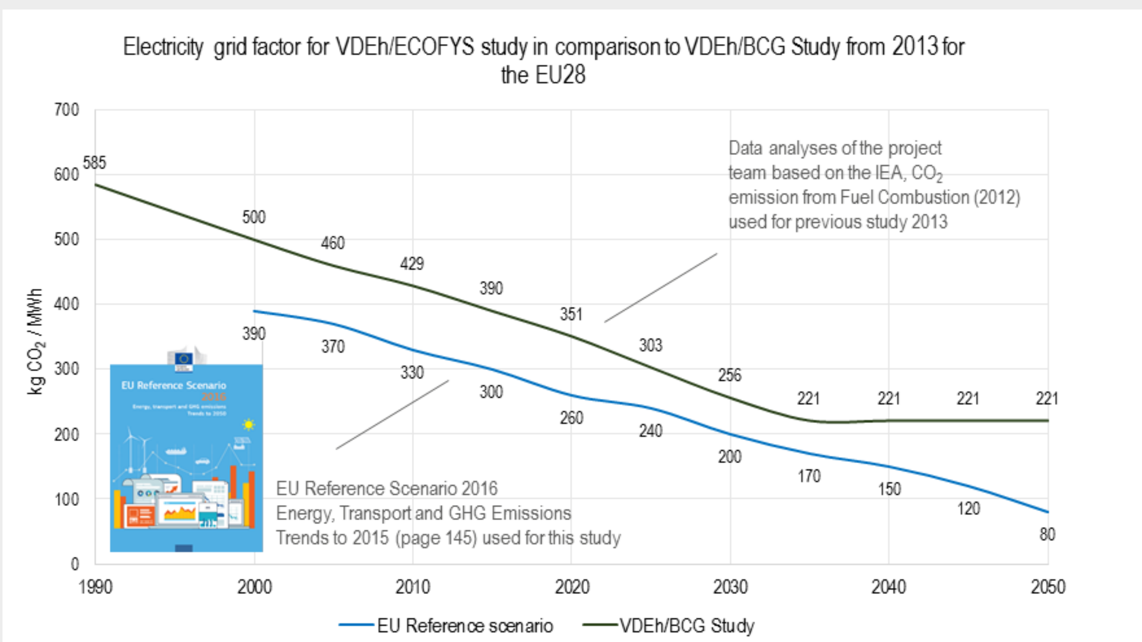
- In EAF route, off-gases occur containing both chemical and latent high-temperature heat (residual heat called "waste heat") that can be recovered and used to pre-heat the feedstock before charging in EAF or to generated steam.

- Slag is a by-product created by chemical reactions during ironmaking or steelmaking. Its composition is adjusted through the addition of fluxes:
    - Granulated slag from the BF is used in the cement industry, where it replaces materials that are CO_2 intensive (Portland clinker).
    - EAF slag is used in agglomerate for road construction.
    - Second Metallurgy Slag is used directly in the EAF melting process in substitution of virgin lime or in the cement industry, where it replaces materials that are CO_2 intensive (Lime).
- Indirect emissions from purchased materials, such as coke, burnt lime and O_2, are considered for both routes.

The change from integrated carbon-based blast furnace/converter route to **hydrogen DRI/EAF route** would result in no further need of coke and sinter, but instead the need for hydrogen and pellets. Hence for comparison purpose, some additional assumptions can be made regarding the system boundaries. One main assumption is that there will be no carbon leakage for the steel industry in Europe. This means that the whole agglomerated iron ore burden materials for the processes should be produced within Europe and accounted as direct emissions. This effects mainly the pellet production for DRI plants. Therefore, the calculations are done considering a pellet "backpack" (upstream emission) for the routes where pellets are used. Also, the use of **HBI** if produced by natural gas as reductant got a backpack load.

Alternative routes to the conventional blast furnace will include CDA technologies (Carbon Direct Avoidance) and CCU technologies which all need electricity with a low CO_2 footprint for massive CO_2 mitigation in their processes. Hence, an assumption of the development of the electricity mix is needed. Figure 11 shows the CO_2 intensity of the electricity grid in the EU 28 up to 2050. Using, for example, the EU reference scenario, the CO_2 intensity of the EU 28 is 300 kg/MWh in 2015, 200 kg in 2030 and 80 kg in 2050. In the Clean Steel Roadmap, the EU reference scenario is used.

Figure 11: Electricity CO_2 intensity of EU 28 (grid mix factor)



Source: Steel Institute VDEh (prepared for EUROFER) 2019, Update of the Steel Roadmap for low-carbon Europe.

Assessing the contribution of steel to climate change mitigation requires to consider the **lifecycle of the steel value chain**.

- Steel is an essential material for low carbon manufacturing and technology, and without steel, the climate change mitigation in many other sectors could not be realised. Therefore, the whole supply chain has to be recognised as being 'environmentally sustainable' for the low carbon activity to be fully supported, as one part cannot exist without the other. Examples of steel as an enabler to low carbon manufacture and technology include:
    - Use of Advanced High Strength Steels (AHSS) to reduce the weight of vehicles in the transport sector and therefore reduce fuel consumption and CO_2 emissions
    - The use of grain-oriented electrical steel in transformers to minimise power distribution losses.
    - The use of high alloyed steel like stainless steels for corrosion protection, thus multiplying the service life of an installation or product and reducing maintenance.
    - The use of steel in key infrastructures such as high-speed rail, bridges, and tunnels, enables faster transport links, which can reduce the amount of driving and flying.
    - Steel is an essential material for renewable energy technologies such as wind, tidal, solar and wave power.
    - The production of steel also produces valuable by-products that are used in other sectors, which contributes to the reduction of natural resource use and emissions in those sectors.
    - Steel is a highly recycled material, contributing to a more circular economy and saving CO_2 from recycling by reducing the need for primary material.
- The reuse and recycling of steel products at the end of life contribute to increase resource efficiency and thus bring essential contribution to the reduction of CO_2 emissions.

By increasing the **level of circularity** more complex systems (e.g. industrial symbioses) will be created, which are likely to initiate a re-evaluation of the system boundaries.

Chapter 2: Research and Innovation Strategy

Summary

Activities

- R&D&I activities supporting the achievement of the Partnership's objectives are classified according to two levels:
    - Six areas of intervention:
        - Two technology pathways: carbon direct avoidance and smart carbon usage, which is further divided into carbon capture, utilisation and storage, and process integration.
        - Circular economy projects overarching the technology pathways.
        - Possible combinations of the different pathways and CE projects.
        - Enablers and support actions, i.e. activities that can support the successful implementation of solutions developed under the other five areas of intervention as well as the global competitiveness of the EU steel industry.
    - Twelve technology building blocks:
        - One building block can be integrated into different technological pathways and can contribute to one or more areas of intervention.
        - Only the combination of building blocks will provide impactful solutions to mitigate CO_2 emissions.

Timeline and budget distribution

- A multi-stage R&D&I approach is applied to accelerate carbon mitigation in the steel industry:
    - Stage 1 targets projects that generate 'immediate' CO_2 reduction opportunities;
    - Stage 2 focuses on those projects that may not be implemented 'immediately' in the installed base, but allow for a quick migration (evolution) towards improved; processes;
    - Stage 3 (medium- to long-term impact measures) looks at those projects that can 'revolutionise' the steel industry through breakthrough development, and require significant capital investment in new processes.
- This multi-stage approach provides the rationale behind the budget split over time and areas of intervention.
- Between 2021 and 2030, the total resources needed to implement the Roadmap are estimated at about EUR 2.55 billion. During the timeframe covered by the Clean Steel Partnership (2021-27), the wider boundary of the investment needs is estimated at EUR 2 billion.
- The proposed budget withing the scope of the Clean Steel Partnership is around EUR 1.4 billion during 2021-27, including both public and private funding. To implement the Roadmap in full, the Partnership's activities will mobilise further resources from other EU funded programmes and Member States.
- The budget is expected to finance 16 projects resulting in building blocks at TRL7, 12 projects resulting in building blocks at TRL 8 and 4 demonstration projects.

2.1. Activities

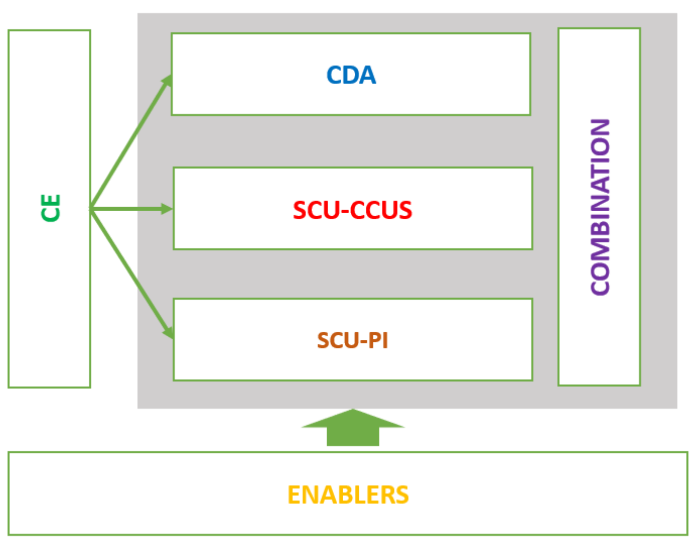
As further detailed in this Section of the Roadmap, R&D&I activities supporting the achievements of the Clean Steel Partnership's objectives can be classified according to two different levels. The first level covers **six areas of interventions** representing different technological pathways (and combinations thereof) to decarbonise the EU steel industry. The second level includes **12 technology building blocks**, which can contribute separately to the areas of intervention, or be combined with other building blocks to enable a higher level of carbon reduction in steel production.

2.1.1. Areas of intervention

To achieve the objectives identified in Chapter 1 and reduce CO_2 emissions stemming from EU steel production by 80-95% compared to 1990 levels by 2050 - ultimately leading to climate neutrality, R&D&I activities funded by the Clean Steel Partnership will revolve around **six main areas of interventions** comprising (Figure 12):

- Two technology pathways: CDA and SCU, which is further divided into SCU-CCUS and SCU-PI (see Section 1. 2.1).
- CE projects overarching the technology pathways.
- Possible combinations of the different pathways and CE projects.
- Enablers and support actions, i.e. activities that can support the successful implementation of solutions developed under the other five areas of intervention as well as the global competitiveness of the EU steel industry.

Figure 12: Interaction among the areas of intervention



Source: Author's elaboration on consultation with ESTEP members.

Each area of intervention is **linked to one or more specific objectives** of the Partnership as shown in Table 1 and is expected to generate certain impacts, as further discussed in Chapter 3.

Table 1: Links between areas of intervention and specific objectives of the Clean Steel Partnership

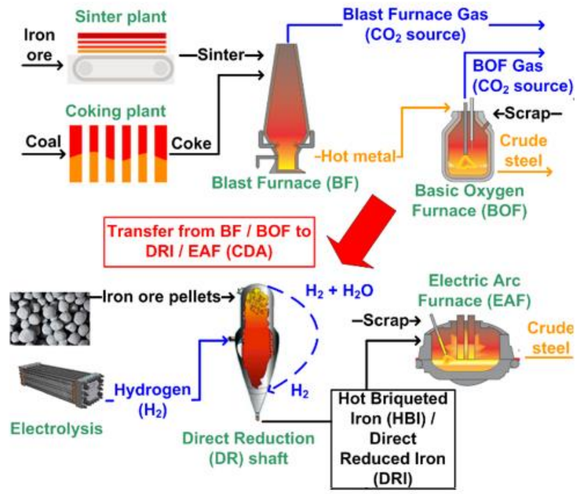
Areas of intervention	Specific objectives
Carbon direct avoidance (CDA)	1: Enabling steel production through carbon direct avoidance (CDA) technologies at a demonstration scale
Smart carbon usage via carbon capture, utilisation, and storage (SCU-CCUS)	2: Fostering smart carbon usage (SCU – Carbon capture) technologies in steelmaking routes at a demonstration scale, thus cutting CO_2 emissions from burning fossil fuels (e.g. coal) in the existing steel production routes
Smart carbon usage via process integration (SCU-PI)	3: Developing deployable technologies to improve energy and resource efficiency (SCU - Process Integration)
Circular economy (CE)	4: Increasing the recycling of steel scrap and residues, thus improving smart resources usage and further supporting a circular economy model in the EU
Combination of pathways	5: Demonstrating clean steel breakthrough technologies contributing to climate neutral steelmaking
Enablers & support actions	6: Strengthening the global competitiveness of the EU steel industry in line with the EU industrial strategy for steel

Source: Author's elaboration on consultation with ESTEP members.

2.1.1.1. Carbon Direct Avoidance

CDA includes technologies that **avoid carbon emissions during steelmaking**. CDA mainly relies on steel production processes based on **hydrogen and green electricity**. For instance, carbonaceous sources can be switched to green hydrogen-based sources. **Error! Reference source not found.** illustrates an example o f how the substitution of the BF-BOF route by the EAF route for crude steel production may contribute to CDA. Hydrogen can be produced via water electrolysis powered by green electricity. The resulting green hydrogen is then used to reduce iron ore in a DR shaft or other breakthrough technologies and the green electricity is used also for the EAF. Another example is the direct use of green electricity for ore reduction (iron ore electrolysis). A positive side effect of these electrolysis processes is the production of oxygen, which can then be directly used inside the steel mill e.g. as an oxidiser for internal combustion/heating processes.

Figure 13: Carbon direct avoidance

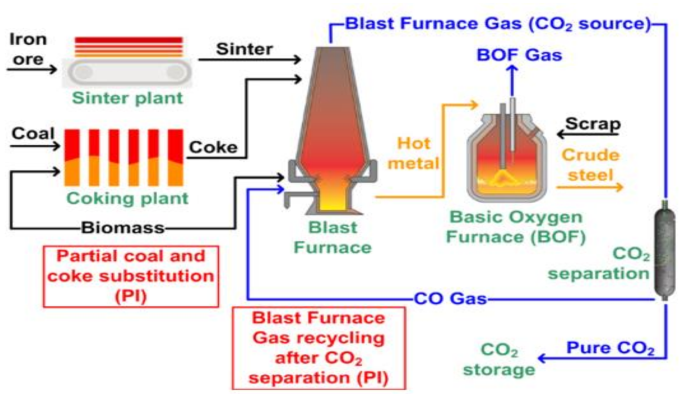


Source: LowCarbonFuture[34]

2.1.1.2. Smart carbon usage via process integration (SCU-PI)

SCU-PI allows **reducing fossil fuel** (coal, natural gas, etc.) used in both BF-BOF and EAF steel production and, in turn, **curtailing CO_2 emissions** generated by the steel industry. Several technology options may contribute to the SCU-PI in conventional steel plants, including the (partial) replacement of coal by natural gas, biogas, biomass, hydrogen, or even electricity, the increase of the scrap/hot metal ratio, the replacement of iron ore or scrap by available hot briquetted/direct reduced iron, and the advanced management of the energy streams and process gases (e.g. off gases released from EAF/BF-BOF). Figure 14 illustrates examples of solutions for SCU-PI in BF-BOF plants, namely the recycling of CO recovered from Blast Furnace gas back into the Blast Furnace for metallurgical use, to avoid the CO_2-intensive usage for electricity production.

Figure 14: Smart carbon usage via process integration



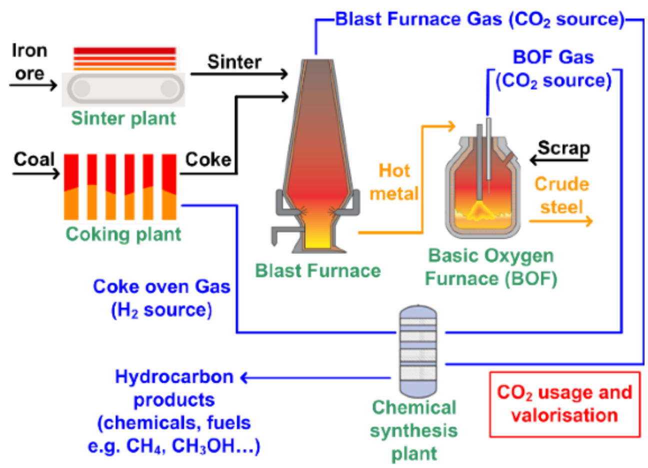
Source: LowCarbonFuture

[34] For further details, please see: lowcarbonfuture.eu/projects-area

2.1.1.3. Smart carbon usage via carbon capture, utilisation, and storage (SCU-CCUS)

SCU-CCUS encompasses technologies that help **avoid carbon emissions to the atmosphere**. This pathway supports all the options for **utilising the CO and CO_2 in steel plant gases or fumes as raw material** for the production of/integration into valuable products. SCU-PI-related projects can be often combined with SCU-CCUS. Figure 15 shows one possible application of SCU-CCUS solutions to the BF-BOF route, i.e. the production of fuels or base chemicals from steel mill gases. CO_2 originates from the BF and the BOF gases and hydrogen from coke oven gas can be used for hydrocarbon production, through a chemical hydrocarbon synthesis process. The final products can be chemicals and fuels that can be used by other industries.

Figure 15: Smart carbon usage via carbon capture, utilisation, and storage



Source: LowCarbonFuture

2.1.1.4. Circular Economy

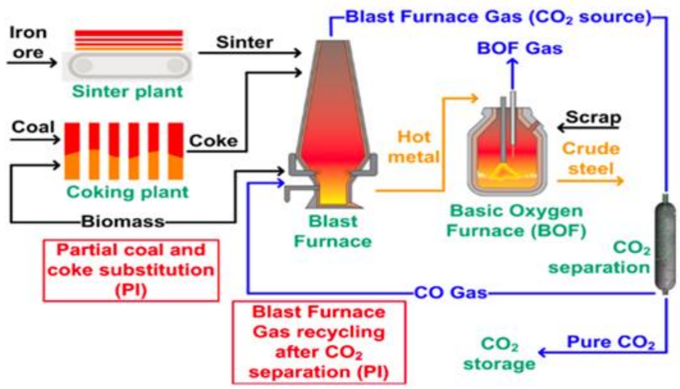
CE approaches **enhance the recycling of steel** (e.g. scrap in BOF/EAF and residues) **and resource efficiency**. CE promotes the scrap utilisation through scrap sorting and improved removal of scrap pollution with new detecting technologies. It also includes process related to the utilisation of all residues from steel production internally or in other sectors like dust in the non-ferrous sector or slags in the cement sector. Besides, CE supports the substitution of fossil materials with alternative carbon-bearing materials and alternative reductants (e.g. biomass, plastic, rubber, syngas from wastes). Finally, CE approaches encompass technologies that identify and make use of waste heat sources. Several activities under this area of intervention are directly linked to other areas of interventions such as SCU-PI/CCUS and CDA.

2.1.1.5. Combination of technological pathways

There is no single solution to decarbonise the steel sector. Rather, many different technical pathways and approaches must be developed to achieve a climate-neutral EU steel industry by 2050. The Clean Steel Partnership will play a crucial role in bringing together, coordinating, and making the most of different solutions and technologies. This area of intervention focuses on the **combination of different technologies** and has the full potential to generate larger CO_2 reduction than any single pathway or technology. It is important for the steel sector to investigate possibilities to combine the technologies options to achieve higher CO_2 reduction potential. By way of example, SCU-PI technologies alone can help reduce CO_2 up to 65%. However, if they are combined with CCUS technologies, the total CO_2 mitigation value can be up to 100%.[35]

Figure 16 illustrates an example of integration between SCU-PI and SCU-CCS, namely the partial substitution of coal with biomass in the coking plant together with the CO_2 separation from internal recycling of BF top gas and internal recycling of CO as an auxiliary reducing agent.

Figure 16: Example of the integration between SCU-PI and SCU-CCUS pathways



Source: LowCarbonFuture[36]

2.1.1.6. Enablers and actions supporting the global competitiveness

To properly implement R&D&I activities under the above-mentioned areas of intervention, enablers and support actions are required. This area of intervention includes, *inter alia*, the integration of the latest technologies such as **artificial intelligence and digital solutions** into the industrial production. This encompasses the development of new measurement technique and digital tools for monitoring and control in the new steel production processes; in addition, new predictive and dynamic models will be developed, as well as strategic scheduling tools, which will ensure the planning, assessment and optimisation of the industrial transition process. Enablers and support actions may also include the creation of synergies with EU and national programmes that enable the **upskilling of the steel workforce**, activities aiming at **fostering R&D&I collaboration between EU companies** participating in the clean steel value chain as well as broader initiatives supporting the **creation of a new market for clean steel products**, the **uptake of successful technology** developed in the EU and, more generally, the **global competitiveness of the EU steel industry**.

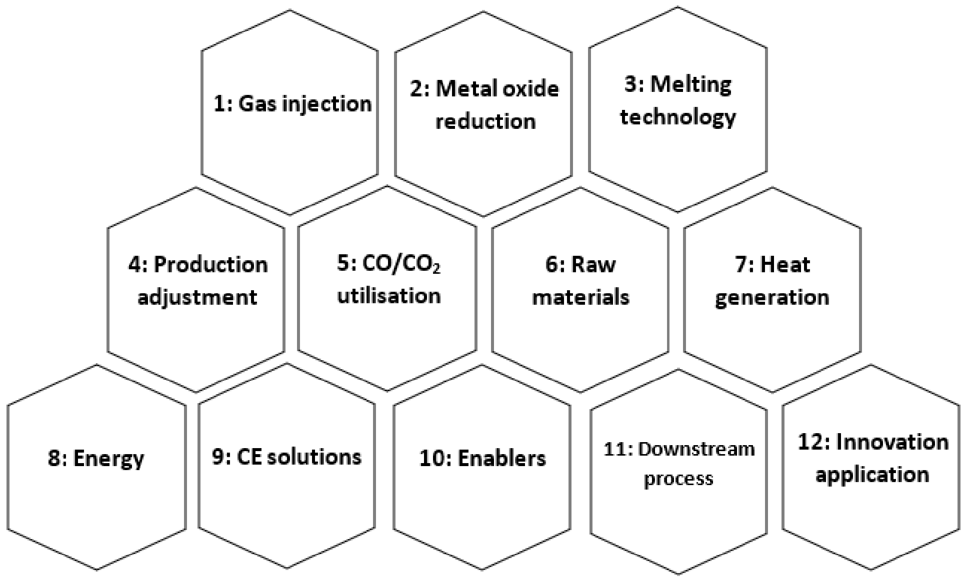
2.1.2. <u>Building blocks</u>

R&D&I activities contributing to the above areas of intervention will focus on 12 technology building blocks (listed in Figure 17) and/or combination thereof. Only the combination of building blocks will provide impactful solutions to mitigate CO_2 emissions. One building block can be integrated into different technological pathways and can contribute to one or more areas of intervention, as summarised in Table

[35] For further details, please visit: LowCarbonFuture.eu
[36] For further details, please see: lowcarbonfuture.eu/projects-area

2. This section of the Roadmap takes **a closer look into the technical specification of each building block**, and how they contribute to the six areas of intervention. The order of presentation of the building blocks does not reflect the importance nor prioritise R&D&I activities carried out in the context of the Clean Steel Partnership.

Figure 17: The 12 building blocks covered by the Clean Steel Partnership



Source: Author's elaboration on consultation with ESTEP members.

Table 2: Building blocks' contribution to the six areas of intervention

	CDA	SCU-CCUS	SCU-PI	CE	Combination	Enablers
1. Gas injection technology	Major	Minor	Major	Minor	Major	Minor
2. CO_2-neutral iron-ore reduction	Major	Minor	Major	Major	Major	Minor
3. Melting of pre-reduced and reduced ore, scrap, and iron-rich low-value residues	Major	No	Major	Minor	Major	Minor
4. Adjustment of today's production to prepare for the transition towards climate neutrality	Major	Major	Major	Major	Major	Major
5. CO/CO_2 utilisation, CO_2 Capture, and storage	No	Major	Major	Minor	Major	No
6. Raw material preparation	Major	No	Minor	Major	Major	Major
7. Heat generation for processes	Major	Minor	Major	Minor	Major	Minor

	CDA	SCU-CCUS	SCU-PI	CE	Combination	Enablers
8. Energy management / Energy vector storage (H_2, electricity, intermediate materials)	Major	Minor	Major	Major	Minor	Major
9. Steel specific circular economy solutions	Minor	Minor	Major	Major	Major	Major
10. Enablers (skills, digitalisation)	Major	Minor	Major	Minor	Major	Major
11. Low CO_2 emissions downstream processes	Major	Major	Major	Minor	Major	Major
12. Innovative steel applications for low CO_2 emissions	Major	Minor	Minor	Minor	No	Minor

Source: Author's elaboration on consultation with ESTEP members.

The activities introduced via the building blocks of the Clean Steel Partnership will mainly focus on the facilities of **steel production**. The CO_2 emission of the steel sector can be measured as the average value between the primary and secondary route. Today, the EU is in a good position when compared to other regions outside the EU. Values in the EU are 1300 -1800 kg CO_2/tonne of liquid steel produced via the BF-BOF route, and 80-120 kg CO_2 direct and 250-350 kg CO_2 indirect emissions from steel production under the EAF route. The BF-BOF route accounts for around 60% of EU steel production, while the EAF route accounts for around 40%. The main CO_2 emissions of steel production originate from **primary steelmaking**, transforming iron ore via BF and BOF into steel. Therefore, the challenge for the Clean Steel Partnership lies in solutions to transform this route to become climate neutral.

At the same time, the use of CO_2-free fuels or CO_2-free electricity could lead to CO_2 emissions as low as 60 kg CO_2 /t tonne of liquid steel in the **scrap-based EAF** as well as for purely green hydrogen/electricity iron-ore based CDA.[37] The level of 60 kg CO_2/tonne of liquid steel is an operational minimum as long as the EAF uses graphite electrode and some carbon dioxide is coming from the additions and the alloying material consumption.[38] This very low CO_2 emission level if reached for about 50% of the steel production in the EU can contribute to reducing the very challenging target of integrated BF-BOF route.

The decarbonisation of the EU steel industry thus requires a combined approach aiming to reduce CO_2 emissions in both production routes. The contribution to the CO_2 emissions of the **downstream processes** (in particular hot rolling) to the CO_2 emissions is already comparable with that originated from the production of liquid steel in the scrap-based EAF route (about 150 kg CO2/ton of crude steel). It is apparent, therefore, that the downstream CO_2 emissions will also be relevant with respect to the final CO_2 reduction scenario (2050 and beyond).[39]

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[37] Steel Institute VDEh (2019), Update of the Steel Roadmap for Low Carbon Europe 2050. Part I: Technical Assessment of Steelmaking Routes, p. 4

[38] Ibid.

[39] Ibid, p. 49.

2.1.2.1. Building block 1: Gas injection technologies for clean steel production

Gas injection technology aims to **reduce the CO_2 footprint of the steel production**. In the coming years, the injection of gases needs to be adjusted, optimised, and/or developed in several steelmaking facilities. This building block focuses on all gases that contribute to a significant decrease in the steelmaking induced CO_2 emission. It encompasses **several activities with different timing in terms of industrial deployment**. The carbon footprint may be reduced moderately with rapid industrial deployment, for example through injecting natural gas, coke oven gas or BOF gas in the BF. Other gas injection options have the potential for very low CO_2 emissions but need intermediate steps before being ready for full industrial deployment (e.g. injection of high percentages of hydrogen in BF and EAF).

From a technical standpoint, this building block covers **new process technologies for co-injection and new injection ports** e.g. for BFs, DRI plants but also for EAFs. **New control techniques** will also have to be developed taking into account process needs, safety issues and economic aspects. Further activities in this building block are related to **gas treatment** (e.g. purification, reforming, preheating). Finally, the influences on refractories and burner materials have to be investigated, in particular when injecting high percentages of hydrogen.

Table 3 summarises the contribution of gas injection technologies to the areas of intervention covered by the Clean Steel Partnership.

Table 3: Contribution of Building Block 1 to the six areas of intervention

CDA - Major contribution	• Injection will focus on hydrogen or at least hydrogen-rich gases to directly avoid the usage of fossil carbon. • Main focus is on injection in EAF and DRI plants but the injection of hydrogen in BFs can also be rated as the first step towards hydrogen-based DRI • The technologies provide important know-how and concrete technologies for the future use of hydrogen-based (resp. almost carbon-free) ironmaking
SCU-CCUS - Minor contribution	• Combination of gas injection with CCUS makes sense for fast industrial decarbonisation
SCU-PI - Major contribution (in combination with BB5, and also BB4, BB6, BB7, BB8, BB9)	• PI through injection of metallurgical gases as well as natural gas and H_2 in the BF to * minimise the need for fossil carbon is characterised as SCU, the same applies for the new developments regarding the related process technology and control technology * CO_2-intense use of metallurgical gases in power plants is minimised • Development and demonstration of gas injection technology for the BF (injection of hot reducing gases, of H_2 or biogas, etc, in tuyeres and/or in the shaft)
CE - Minor contribution	• Limited to the increased recycling of metallurgical gases for e.g. the injection in BFs instead of using them in power plants or flaring
Combination - Major contribution	With BB5 and also BB4, BB6, BB7, BB8, BB9, • Combinations of technologies related to SCU-PI, CDA and SCU-CCUS (e.g. BF top gas recycling combined with CCUS).
Enabler & Support actions -	• The technologies provide important know-how and concrete technologies which can partly be rated as enablers for future hydrogen-based ironmaking (e.g. measurement and control technologies) • Safety issues with H_2 and hot gas injections in the BF

Minor contribution	• Evolution of BF control systems to integrate gaseous injections (predictive models, sensors, etc.)

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.2. Building block 2: CO_2-neutral iron-ore reduction for clean steel production

This building block includes R&D&I activities related to the metal reduction processes using hydrogen, renewable electricity, or biomass. **Direct reduction with high amounts of hydrogen** will be a key component of this building block. Impacts on the DRI properties (e.g. mechanical and metallurgical properties, reactivity, and bulk behaviour) and the process conditions have to be carefully investigated. Thus, several activities will concentrate on the process and the product properties as well as on the impact of the product properties on the downstream processes (e.g. EAF). The process technology may have to be adapted to the new boundary conditions. The activities related to the **use of electricity** are widespread. They have to cover plasma technology, for example for smelting reduction processes or gas preheating. Furthermore, electrolytic reduction at low or high temperature will be further developed.

Concerning **biomass**, different sources will be investigated including their adaptation to different processes. The sources will cover carbonisation and pyrolysis processes and biomass use (lump or pulverised) and biogas injection technology. A significant part of the activities will furthermore focus on the **adaption of the process control**, considering both the single reduction processes and the control along the production chain (e.g. electrolyser, DR, EAF). A general horizontal objective is to ensure **high levels of safety** when operating with new/modified reducing agents.

Table 4 summarises the contribution of CO_2-neutral iron-ore and other metal oxide reduction technologies to the areas of intervention covered by the Clean Steel Partnership.

Table 4: Contribution of Building Block 2 to the six areas of intervention

CDA - **Major contribution** (in combination with BB3, BB4, BB7, BB8, BB9, BB11)	**H_2 as reducing agent:** BB2 is the central BB for CDA. Development of new processing routes for iron and steelmaking, excluding fossil carbon: • Transition from traditional coal-based energy to renewable (hydro/wind/ solar) electricity in iron and steelmaking. • Transition to Hydrogen based reduction and melting processes. • Improved plasma melting processes (i.e. improved electrode technologies using a plasma torch, plasma smelting reduction). **Electrons as a reducing agent** • Industrial development of the alkaline electrolysis process; this covers a wide range of technological developments (grinding and leaching of ores, harvesting and cleaning systems for the iron plates, purification of the produced oxygen, etc) • Progressive integration of the high-temperature water electrolysis for highly efficient hydrogen production in the environment of a steel plant • Valorisation of non-conventional ores in electrolysis processes •
SCU-CCUS - Minor contribution	• Carbon remains a structural important alloying element in steelmaking. If fossil source is used, capture and reintroduction to minimise carbon footprint will be in any case necessary.
SCU-PI - Major contribution (in	• Integration in steel plants of carbonisation, pyrolysis and gasification processes designed for using biomass as coal and/or gas substitute in existing steel processes (coke plant, sinter plant, BF, BOF, EAF)

combination with BB1, BB3, BB4, BB6, BB7, BB8, BB9, BB10)	• Adaptation of grinding, drying and pneumatic injection technologies to biomass and torrefied/carbonised biomass in BF and EAF • Gas utilisation and recycling/recovery within processes
CE - **Major/Minor contribution**	**Major** (with BB3, BB4, BB10)**:** Adjustment and processing of slag chemistry for H_2 metallurgy to make it useable in cement production and other resource-saving applications (NB: EAF melting is used in conventional plants, but is also an essential process in CDA routes (H_2-DR and alkaline electrolysis) **Minor** (With BB7, BB10)**:** In a similar way to conventional processes, new steelmaking processes will have to be tailored to recycle internal residues. Moreover, external residues may also be considered, such as the valorisation of Fe-rich residues in electrolysis processes, e.g. red mud from Al production. Such activities will be fostered in cooperation with the PPP Circular Industries (SPIRE)
Combination – **Major contribution**	With BB4, BB6, BB9, BB11, BB12: • In particular combinations including SCU-PI, CDA and SCU-CCUS (see comments above). Integration in steel plants of the water electrolysis processes for producing H_2 and O_2: green H_2 (and O_2) are requested for all technological pathways, including PI (H2 injection in BF, substitution of NG as fuel), etc, including CCUS (H_2 necessary for most CO_2 valorisation processes) and including electrolysis in CDA (H_2 can be used as fuel for reheating furnaces, for preheating ladles, etc)
Enabler & Support actions - **Minor contribution**	• The technologies provide important know-how and concrete technologies, in particular on safety, measuring and process control, which can partly be rated as enablers for future hydrogen-based ironmaking • Integration of steel plants (notably EAF, iron electrolysis and H_2 production processes) in smart electrical networks, as tools to mitigate network fluctuations (> to link with SPIRE) • Safety issues in electrolysis processes

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.3. Building block 3: Melting of pre-reduced and reduced ore, scrap, and iron-rich low-value residues for clean steel production

The properties of the feed materials while melting will be investigated in new and adapted processes. Processes will be adapted and improved (e.g. to allow use of low-value iron-based sources). This considers the three technological pathways. The building block covers **low-carbon dioxide emission technologies** for melting iron-bringing feed materials with variable content of carbon and variable metallisation, including low-value iron-based sources.

Adaptations on existing EAF melting are envisaged to **replace the traditional use of carbon and hydrocarbons** (e.g. for re-carburisation of the liquid, for promoting slag foaming or charge heating) with climate-neutral substitutes and hydrogen. The reduction of the specific consumption by optimisation of energy inputs (electrical vs. chemical) depends on charge mix (scrap, DRI, HBI, HM, pig iron) and the pre-heating of the feedstock using melting/reducing furnace off-gas to achieve a low carbon process. R&D&I activities will also have to consider the possibility of adding to the process variable percentages of steel scrap and/or a wide range of iron-bringing feed materials with variable content of carbon and variable metallisation, including low-value iron-based sources (i.e. >5% of acidic gangue) without prejudice to the yield of the metallic charge.

From a technical standpoint, this building block also covers the **demonstration of new reduction process technologies**, including the assessment of material quality and residue handling within new production chains, for the recovery of metal contents to be used as scrap replacement from low-value residues by pre-reduction or reduction smelting with H_2, biogas, CO_2-lean electricity and carbon-bearing residues. The integration of new processes in the existing routes is envisioned to improve the process sustainability. Part of the activities will furthermore focus **on new sensors and tools** for real-time management inside the reactors of liquid metal and slag temperature and composition.

Table 5 summarises the contribution of technologies for melting of pre-reduced and reduced ore, scrap, and iron-rich low-value residues to the areas of intervention covered by the Clean Steel Partnership.

Table 5: Contribution of Building Block 3 to the six areas of intervention

CDA - Major contribution	• Replace traditional use of carbons and hydrocarbons by the hydrogen or biomass in existing melting processes and advanced alternative smelting processes using electricity, H_2 and biomass
SCU-PI - Major contribution	• Processes (i.e. EAF) will be adapted and improved to achieve a low CO_2 process: ○ Design of new solid raw material injectors for use of alternative material (i.e. substitution of coal, lime) ○ Pre-heating the feedstock using melting/reducing furnace off-gas to achieve a low carbon process • Allow use of low-value iron-based sources
CE - Minor contribution	• Recovery of iron to be used as scrap replacement from low-value residues by reduction smelting
Combination – Major contribution	With BB1, BB4, BB6, BB7, BB9, BB10, BB11: • The demonstration of new reduction processes technologies, includes assessment on material quality and residue handling within new production chains, for the recovery of metal contents to be used as scrap /pig iron/ DRI-HBI replacement from low-value residues by pre-reduction or reduction smelting with H_2, biogas, clean electricity and carbon-bearing residues.
Enablers & Support Actions - Minor contribution	• Part of the activities will furthermore focus on new sensors and models: ○ real-time measurement of liquid metal and slag temperature ○ reliable energy forecasting to optimal setup and process control. • Optimisation of energy input (electrical, chemical) depending on actual charge mix (scrap, DRI, HBI, HM solid/liquid)

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.4. Building block 4: Adjustment of today's production to prepare for the transition towards climate neutrality

Today's steel-producing sites have been optimised in the last decades with respect to cost and resource efficiency. The new low-carbon technologies bring along **substantial changes concerning the internal and external flows of energy and materials**. The internal and external ecosystems thus have to be adjusted to handle the new boundary conditions. This applies in particular for the most common integrated steelworks, based on the conventional BF-BOF route with its thoroughly coordinated gas and material network. The gases from cokery, BF and steelworks are used all across the working processes as an energy source in several furnaces and in the power plant; and almost all residues, iron-bearing, carbon-bearing or slags are recycled in sinter plants or externally. If the components of such conventional BF-BOF sites are substituted for example by a hydrogen-based DRI/EAF-route, or by alternative smelting reduction processes most of the energy and material cycles will change substantially.

To enable such transformations, each intermediate stage has to be handled in a sustainable way during continuously ongoing industrial production. This is even more important since the transformation towards climate-neutral steelmaking asks for **a decade-long transition that requires in many cases a gradual or stepwise integration of the new technologies and the renewable energy** sources in the production chains.

This building block, therefore, encompasses R&D&I activities with different time frames. It considers techniques and tools which support the immediate decrease of the carbon footprint on the industrial level, for example by the integration of first shares of **hydrogen or renewable electricity** into already existing industrial plants. It considers techniques and planning tools as well to support the later steps of decarbonisation on the industrial level.

The technical scope consequently covers a wide range of activities. By way of example, a strategic approach can involve **gas distribution systems** (including mixing stations, furnaces, and combustion technologies), with evolvement and management during the transformation to clean steel production, as well as the hydrogen and biogas enrichment. Zero flaring, with gases management and storage, can also be managed aimed at heat/power conversion. The **electricity networks** will also need to be adjusted to enable the gradual increasing integration of renewable energies. Finally, the technical scope also includes the necessary **adaption of material ecosystems** (e.g. iron sources, slags, residues, water) during the stepwise transition.

This building block can be exploited at the multi-fold level. In a nutshell, flexibility can involve the production cycle itself and the energy and materials supplied. Concerning the first item, of course, it is expected an **adaptation of process control** in view of the new conditions. Then, support is also given by **flexible technologies for combustion** such as O_2 use on-demand, high turndown burners, flexible mixing stations, multifuel burners, lean burner. Process flexibility includes as well optimum **coordination of clean carbon steel production chains with CCUS processes**. Generally, a variety of different input streams can be used in reduction and melting plants.

Concerning the flexibility actions involving materials and energy supplied, it is worth mentioning the use a **wide control range of heating capacity** by modular heating technologies such local regenerators, and a sort of hybrid heating, based on both fuel gases and electricity. Integration of fuel cells can also bring back energy into the system. Materials can involve the use of a**lternative coal-based products for non-fossil coke**, as well as increased use of **non-fossil energy and reactants** (e.g. green electricity for heat generation, biomass, green hydrogen) in downstream processes.

Table 6 summarises the contribution of activities related to the adjustment of today's production to the areas of intervention covered by the Clean Steel Partnership.

Table 6: Contribution of Building Block 4 to the six areas of intervention

CDA - Major contribution	• Flexible operation of pure hydrogen and hydrogen-rich gases into DRI plants as reductants as well as different ferrum input streams (such as pellets, lump ore, scrap). • If the components of conventional BF-BOF sites are substituted by e.g. hydrogen-based EAF route, most of the energy and material cycles will be substantially influenced (e.g. gas and electricity networks). • The corresponding area of interest which enable the transition of the existing sites are considered by this building block. • Since the decarbonisation transition will need decades also intermediate states of coexisting conventional and breakthrough technologies have to be considered to enable sustainable production during these decades.
SCU-CCUS - Major contribution	• Mainly considering the integration of CCUS in current plants/production chains
SCU-PI - Major contribution	• Involve the production cycle the energy and materials supplied (e.g. tuning of gas distribution/combustion to new gas properties and amounts). • Involve wide control range of heating capacity by modular heating technologies (e.g., local regenerators) and a sort of hybrid heating, based on both fuel gases and electricity. Integration of fuel cells can also bring back energy into the system.
CE - Major contribution	• The impact of new technologies on material cycles (solid/liquid/gaseous) will need new CE solutions also considering the decade-long intermediate states • Both, internal and external, material flows are deeply influenced by the transition, thus CE is affected also beyond the steel industry (e.g. use of slags in the cement industry). • Energy internal reuse via gas distribution systems, with evolvement and management during the transformation to low Carbon steel production, as well as the hydrogen and biogas enrichment. • Zero flaring, with gases management and storage aimed at heat/power conversion
Combination – Major contribution	With BB1, BB3, BB4 (as intermediate step), BB5 (see contributions above), BB8, BB9, BB10, BB12: • Flexibility is relevant to all process aspects from injection techniques to resource and energy management along the whole route (up to downstream). Pertinent to increase of EAF production share (up to 50%) enabling high-quality production nowadays possible only with BF cycle)
Enablers & Support Actions - Major contribution	• Compared to the usually slow changes within steel production systems (due to long investment cycles), the decarbonisation transition implies fast changes including different intermediate states, new tools are needed to plan and handle those states • The decarbonisation transition of industrial plants needs substantial changes in the production chains which have to be realised while, at the same time, the steel production must go on in a sustainable way. Support actions are needed to enable this open-heart operation. • The technologies provide important know-how and concrete technologies which can partly be rated as enablers for future hydrogen-based ironmaking (e.g. measurement and control technologies)

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.5. Building block 5: CO/CO_2 utilisation, CO_2 capture and storage in steelmaking

The utilisation of CO and CO_2 from steel plants can be done in different ways and for various applications. R&D&I is first necessary for the **preparation of the gaseous stream containing CO/CO_2**: depending on the envisioned use, the gaseous stream, either process gas or off-gas to be released to the atmosphere, must first be prepared, potentially involving cleaning, compressions, drying, sulphur removal, separation, conversion, reforming, concentration, etc. These steps are generally highly energy-consuming. It is therefore of first importance to optimise their integration in steel plants, making the best use of the available equipment and heat streams, exploiting synergies to limit the energy penalty. This potentially also includes substantial changes in the gas network of steel plants.

Significant efforts are then certainly necessary to improve the performances of the additional processes for allowing their utilisation of CO/CO_2 from steel plants and to establish the quality and marketability of the various products that can be obtained (chemicals, fuels, etc.) and all the necessary separation and purification steps required. Possible secondary residues also have to be marketed or recycled to ensure optimal environmental performances. In this field, the use of **life cycle impact assessment tools** will be of paramount importance to neatly compare potential solutions and to allow a full environmental assessment of the proposed technologies. Generally, these CO/CO_2 utilisation processes require some hydrogen. Hence, the building block applies both to SCU and CDA.

Finally, **CO_2 storage** is generally considered as a fall-back option with excessive costs and potential environmental and societal issues. It is, however, an option that potentially allows handling the large CO_2 volumes produced by the current steel plants. This option will also have to be considered in the portfolio of R&I.

Table 7 summarises the contribution of CO/CO_2 utilisation, CO_2 capture and storage to the areas of intervention covered by the Clean Steel Partnership.

Table 7: Contribution of Building Block 5 to the six areas of intervention

CCUS - **Major/minor contribution**	• **Major (with BB1, BB4, BB7, BB8):** - Integration of chemical and biological conversion of CO/CO_2 in steel plants, with full internal valorisation of residues, including biomass
	• **Minor (with BB9)**:
	  ○ Evaluate the options for compression and transport of CO_2 streams from steel plants (technological and material aspects considering the concentration and minor compounds)
	  ○ Evaluate the storage options for CO_2 streams from steel plants, considering the development of CO_2 networks and infrastructures (can potentially handle very large CO_2 volumes)

SCU-PI - **Major contribution**	• Energetic integration of end-of-pipe capture units in steel plants • In-process integration of CO_2 capture steps in BF-BOF plants
CE - **Minor contribution** (with BB10)	• Development of the carbonisation of steel residues (slags, dust) as a mean to sequester CO_2 by steel specific activities

Combination – Major contribution	With BB1, BB2, BB3, BB4, BB8, BB9, BB10, BB12: • Development and energetic integration in steel plants of preparation steps for process gases (cleaning, drying, sulphur removal, CO_2 scrubbing, conversion, compression, heating, reforming, etc). • Separation of CO_2, CO, H_2, N_2, BTX, etc from steel process gases for dedicated valorisation/use

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.6. Building block 6: Raw material preparation for clean steel production

This BB is related to the two main raw-material in the iron and steelmaking route: the iron-ore and the scrap. As refer to **iron ore**, the availability of high-grade iron ores is expected to become a more critical factor, as demand will increase. Therefore, technologies for the upgrade and the use of low-quality iron ores are needed. This includes low carbon technologies for sintering/ pelletisation and/or cold bonded iron ore agglomeration.

The research on **scrap** will focus on the best available and applicable technologies for the reduction of impurities in post-consumer scrap. The aim is to **remove these impurities before melting**, in order to achieve the same quality of the finished product and reducing CO_2 emissions. Furthermore, the improved sorting of scrap to separate high-alloyed material from it leads to optimised scrap use and minimised need for primary alloying metals. R&D&I activities include the experimentation of expeditious analytical methods for the identification of the impurities present in scrap and effective methods for their removal before loading into the furnaces. Iron oxides will play an important role also in the future. The benefits at CO_2 emission reduction level are immediate. First, post-consumer scrap improvement is beneficial to the replacement of the use of cast iron. Moreover, scrap management and charge optimisation concur to **material and cost savings with rational use of resources**. **Scrap cleaning actions**, including metal, paints, waste removal, can also lead to added value production. 'Cleaner' scrap is reliable for challenging application as those for the automotive sector.

Also, **pre-heating technologies** using waste heat in off-gas are to be focused, as pertinent to the EAF production technology in reducing CO_2 emissions. Also, in integrated steel mills, Available surplus BOF gas could be used as fuel in the scrap preheating process, with an overall impact of (average) reduction of 0.1-tonne CO_2/tonne of final steel product. Finally, the use of **secondary raw materials as substitutes for slag forming** and of alternative slag foaming materials to substitute injection coal are functional to achieve low CO_2-emission raw material for steel production. Finally, suitable **process control and monitoring** are a further strategy, either for characterisation of EAF, DRI charge materials and for dynamically adjusting of production chains and pre-treatment steps on new raw material circuits due to decarbonisation transition.

Table 8 summarises the contribution of raw material preparation to the areas of intervention covered by the Clean Steel Partnership.

Table 8: Contribution of Building Block 6 to the six areas of intervention

CDA - Major contribution	• First, post-consumer scrap improvement is beneficial compared to the use of pig iron. • Removing raw materials impurities before melting, as well as scrap management and charge optimisation, optimise the operation of the melting and treatment units to reduce unwanted substances, contributing to material and cost savings with rational

	use of resources, allowing CO_2 emissions reduction (e.g., scrap preheating is very effective in reducing CO_2 emissions. • Also, the development of Low Carbon technologies for pelletisation and sintering, as well as cold bonded iron ore agglomeration, supports the scope • Upgrading of low-grade iron ores and Fe-containing residues
SCU-PI - Minor contribution	• Cleaning actions, including metal, paints, waste removal, brings about added value production (e.g., 'cleaner' scrap is reliable for challenging application as those for the automotive sector): • Pre-heating technologies to be focused and integrated, as pertinent to the EAF production technology. • Expected suitable process control and monitoring strategies, either for characterisation of EAF, DR charge materials and for dynamically adjusting of production chains and pre-treatment steps on new raw material circuits due to decarbonisation transition. Pertinent to increase of EAF production share (up to 50%) enabling high-quality production nowadays possible only with BF cycle) • Upgrading of low-grade iron ores and Fe-containing residues
CE - Major contribution	• Use of secondary raw materials as substitutes for slag forming and of alternative slag foaming materials to substitute injection coal are functional to EC and achieve low CO_2-emission raw material for steel production. • Surplus BOF gas available could be used as fuel in the scrap preheating process, with an overall impact of (average) reduction of 0.1-ton CO_2/tonne of final steel product. In general, the use of waste heat, and solutions using flare process gases, supports CE strategy in the steel production chain. • Upgrading of low-grade iron ores and Fe-containing residues
Combination – Major contribution	With BB1, BB3, BB4, BB6, BB7, BB9, BB10, BB11: • Raw material preparation issues are cross-sectional to most of BBS as they are pertinent to energy management, resource-saving, reuse (CE), Process Transformation and should be based on robust enablers

Enablers & Support Actions - Major contribution	• R&D&I in the field envisages:
	  ○ experimentation of expeditious analytical methods for the identification of the impurities present in scrap and effective methods for their removal before loading into the furnaces
	  ○ scrap yard management including scarp identification, mapping of yard, evaluation of scrap charge in the basket to relate steel grade with scrap
	  ○ AI algorithms for scarp/steel grade correlation
	• Improvement of the technique of assessing in real-time tramp elements content in the scrap
	• Improvement and/or development of ways to mitigate the impact of higher tramp element content on steel properties (casting conditions, etc.)

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.7. Building block 7: Heat generation for clean steel processes

This building block focuses on **energy efficiency, energy recovery and energy carriers without fossil carbon**. Technologies for in-process usage of different energy carriers and out-process usage of waste heat and residues will be considered. Different energy carriers should be used simultaneously (hybrid heating).

Regardless of the technology choice for iron and steelmaking, the processes will be energy-intensive, as metal processing requires high temperatures. This will lead to **off-gases with useful energy content**, which should be utilised to maximise energy performance. In addition to this, many processes exist with their own heat energy input needs, which can be approached within the framework of PI for both **waste heat usage, heat recovery and residual gas recovery**.

Heat energy recovery and generation are associated with **pre-heating of non-fossil energy feeds** to primary and secondary processes (e.g. through green hydrogen, biomass, green electricity and heat exchangers); **pre-heating of raw materials** to primary and secondary production processes (e.g. through waste heat recovery, process off-gas combustion and green electricity); **preheating of non-fuel feeds** (e.g. of air, enriched air or oxygen); **recovery of heat from hot processes and other waste** (e.g. from slag and the solidifying metal, cooling water); and usage within other related fields (e.g. reheating ovens, dryers/pre-heater for raw material, energy recovery units).

To facilitate these requirements in future clean steelmaking, it is key to enable the **efficient transfer of heat from unconventional sources**, which will require new materials and processes. Examples include new burners for fossil-free energy carriers: solids (e.g. biocoke), liquids (e.g. bioethanol, bio-methanol) and gaseous feeds (e.g. green hydrogen and top gases). In addition, these new sources require that heat exchange materials are suitable for this new environment, and that the systems can be used flexibly depending on the availability of renewable resources (e.g. integration of hydrogen systems with green electricity).

Table 9 summarises the contribution of heat generation to the areas of intervention covered by the Clean Steel Partnership.

Table 9: Contribution of Building Block 7 to the six areas of intervention

CDA - Major contribution	• Hydrogen (hot) for heat input. Utilisation of residual heat from the "new" steelmaking process • Usage of electricity for heating purposes
SCU-CCUS - Minor contribution	• Recovery of chemical and thermal energy for utilisation
SCU-PI - Major contribution	• Recovery of chemical and thermal energy from process gases for utilisation in heating/preheating of process streams
CE - Minor contribution	• Preheating of recycled material before charging to metallurgical processes.
Combination – Major contribution	• In particular combinations including PI, CDA and SCU-CCUS, as explained above.
Enablers & Support Actions - Minor contribution	• The technologies provide important know-how and concrete technologies (e.g. measurement and control technologies) which can partly be rated as enablers for future hydrogen-based ironmaking

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.8. Building block 8: Energy management / Energy vector storage (H_2, electricity, intermediate materials, …) for clean steel production

Despite the increasing fluctuations in the provided energy mix, a reliable energy supply is essential for consistent and effective steel production. The **storage and distribution of energy** are important means to compensate for increasing fluctuations and availability related to seasonal effects and renewable sources. All energy vectors including their links as well as the links to production planning will be considered here. The research on storage technologies, the needs-based distribution and their integration into the steel production chains is not limited to the **energy sources** but will also include **energy-rich intermediate materials**.

This building block will consider chemical (H_2, intermediate materials), electricity and heat storage (e.g., for waste heat recovery from slag) and transportation. Moreover, emphasis will be placed on reusing existing facilities (gasholders out of service, grids…) as energy storage, as well as buffer solutions for grid balancing. In this sense, there is also open field for mixing and using fluctuating energy sources in thermo process plants. Novel process-gas storage processes are also relevant to technology improvement, as well as technologies that involve molten salts technology for high-temperature energy storage.

Table 10 summarises the contribution of energy management and energy vector storage to the areas of intervention covered by the Clean Steel Partnership.

Table 10: Contribution of Building Block 8 to the six areas of intervention

CDA – Major contribution	• Allowing more use of renewable electricity • Allowing advanced smelting processes using electricity and H_2 • Coupling of the steel production process with high-temperature H_2 electrolyser thought steam production by waste gases. • Dealing with fluctuating energy supply and supporting energy system transformation • Integration into an existing and optimised steelwork and gradual transformation towards a low CO_2 production site • DRI as a solution for energy storage • CDA has one of the greatest influences of all industrial sectors to the energy management system. Strong influence of a 24/7 operation of CDA technologies to the production, transport, and storage of renewable energy (electricity, H_2, artificial NG)
SCU-CCUS - Minor contribution	• Allowing smart energy management as a result of the reduction of carbon usage • Enhancing the storage of heat in the energy vector (steam, diathermic oil, molten salt, liquid metals)
SCU-PI - Major contribution	• Allowing higher efficiency and cost-effectiveness for heat recovery at high temperature (>600°C), e.g. from off-gas (EAF, LF, VD) and slags maintaining the potential for residual valorisation • Integration in the steel production of new technologies for heat recovery at low temperature for gas (<200°C) and water (<100°C)
CE - Major contribution	• Management/ storage finalised to reusing existing facilities (gasholders out of service, grids…) as well as buffer solutions for grid balancing.
Combination – Minor contribution	With BB1, BB3, BB8, BB9, BB12:

	• Energy management/storage is linked to technologies related to energy generation and reuse at any production level (e.g., even involving scrap preheating, downstream processes)

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.9. Building block 9: Steel specific circular economy solutions

Steel is and will continue to be an indispensable material for society due to its characteristics such as recyclability, durability, and versatility. These properties make it a **material "permanently" available to future generations**. The steel production works through a profound synergy between the primary route, using mostly virgin raw materials and a limited amount of scrap (in BF-BOF), and the secondary route, using essentially ferrous scrap (in EAF). To find new technological configurations, in which the two production routes will continue to find a synergic approach is mandatory to reach the CO_2 reduction target of 2030 and 2050.

The first topic to address in the context of this building block is "**2050 scrap blending wall**". Although ferrous scrap will be part of the future strategies for reducing GHG emissions, there are still limitations linked to the availability of scrap with the right quality. The presence of tramp elements such as non-ferrous metals might limit the use of ferrous scrap for production of certain steel grades. Therefore, scrap treatments, processing, and cleaning will be an opportunity linked to the recovery of certain non-ferrous fractions, such as tin, copper and zinc. Research efforts on this topic are necessary because **valorisation of low-quality scrap streams** is one of the key elements for fostering a green transition of the steel production as a whole.

The second one is the "**materials recirculation with high recycling rate**". There is still a huge room for improving the yield of the iron and steel making route by r**ecovering of metal contents from metal oxides** both directly in the existing production process (e.g. agglomeration of residues rich in metal-oxides to recharge in the melting process or re-charge of fines residues within DRI plant) and in a dedicated unit (e.g. pyro-metallurgic unit recovering the metals and Zn oxide by EAF/BOF residue).

The third topic covered by this building block is the "**residue valorisation**". Residue from steel industry is already successfully used inside the steel production itself or by other sectors but new EU legislations or more stringent national laws might endanger good practices and then the level of circularity reached by the steel sector. To reach the **full circularity of the steel sector**, every material stream (residue) generated together with steel has to find its proper fate, to be reused, recycled, or recovered. Research efforts are, therefore, treatment for primary steelmaking slags to recover the metal and mineral phase, conditioning the properties of minor residues (i.e. dry fast cooling process for the secondary metallurgical LF, VD and AOD slag) and for developing new processes to **lower the demand for primary resources** (i.e. bio-char and syngas production integrated with steel plant using waste heat) and **reduce landfill volume** (i.e. use of slag as heat accumulator for heat recovery). At the same time, additional applications and final user for residuals streams must be identified for mitigating the risks of over-demanding legislations in **full respect of environmental safety and human health**.

In this building block, the definition of **common life cycle impact assessment tools** are mandatory to monitor the effect of the steel specific circular economy solutions on the environment and in particular on GHG reduction in both direct (e.g. slag as a substrate material for CO_2 sequestration) and indirect ways (e.g. slag as a substitute of lime) or by avoiding transportation (e.g. raw materials to plant or residues from plant to landfills).

Table 11 summarises the contribution of steel specific circular economy solutions to the areas of intervention covered by the Clean Steel Partnership.

Table 11: Contribution of Building Block 9 to the six areas of intervention

CDA - Minor contribution	• Widening of application ranges for slags from direct reduction route • Reuse of residues and increase the use of scrap within direct reduction route
CCUS - Minor contribution	• Use of slag as a substrate material for CO_2 sequestration
SCU-PI - Major contribution (in combination with BB2, BB4, BB6, BB7, BB8, BB9)	• Improving the yield of the iron and steel making route by recovering of metal contents from metal oxides both directly in existing production process either in a dedicated unit • Residue as an energy source for direct substitute of solid fuel • Auxiliary reducing agent and slag foaming material (i.e. polymers from waste plastics, rubber form tyres, bio-char from agricultural and food residues) • Use of slag heat accumulator for heat recovery • Development and integration in steel plants of carbonisation, pyrolysis and gasification processes designed for using C-rich waste streams as coal and/or gas substitute in existing steel processes (coke plant, sinter plant, BF, BOF, EAF

CE - Major contribution	• Residue valorisation:
	  ○ Treatment for primary steelmaking slags to recover the metal and mineral phase
	  ○ Conditioning the properties of the minor slag phases (i.e. dry fast cooling process for the secondary metallurgical slag LF, VD, AOD)
	  ○ Materials recirculation with high recycling rate (i.e. cold-bonded, cement-free, and self-reducing agglomerates for blast furnace)
	  ○ Developing new processes to lower the demand for primary resources (i.e. dedicated pyro-metallurgic reduction unit recovering the metals and Zn oxide by EAF/BOF filter dust, scale, sludge, and slag)
	• Reduce landfill volume

Combination – Major contribution	With BB3, BB4, BB5, BB6, BB7, BB11: • The steel industry is a leader in the circular economy thanks to the use of scrap in liquid steel production. This leadership has been enhanced in the last decade due to the focus on residue valorisation saving primary raw materials and reducing environmental footprint related to landfilling. • Enhanced processes for smart use of resources integrated into the steel processes requiring sector-specific activities which further enable the contribution of the sector to EU circular economy strategy, EU energy transition and its effect on overall industry climate neutrality.
Enablers & Support Actions - Major contribution	• Definition of a common life cycle Inventory for residues • Design & development of a tool for continuous monitoring of the effects of circular approach/solutions on CO_2 emissions

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.10. Building block 10: Enablers (skills, digitisation) for clean steel development

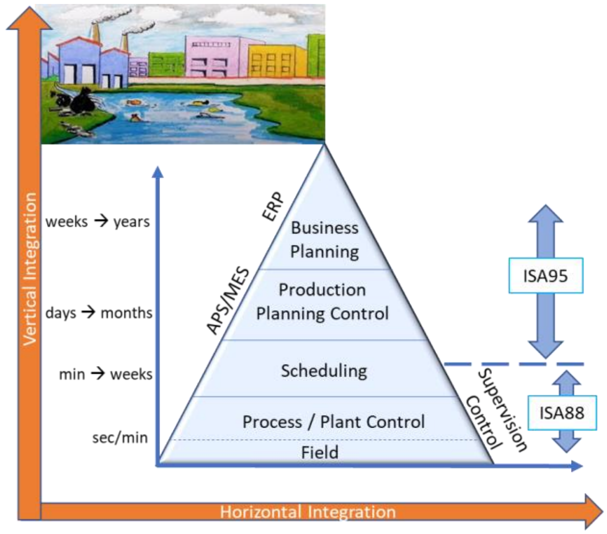
The transition of steel production to low carbon technologies corresponds to a revolution for most major technical and organisational processes. There is a strong need for enablers to plan and handle such revolution and to **make the sustainable steel production** possible under the terms of the new technical and organisational boundary conditions along and around the steel production chains.

Beyond such boundary conditions defined also by the decarbonisation of steel production, this building block considers the **demands of digitalisation, CE, and sustainability**. Regarding digitalisation, the activities will ensure that the potential of the latest technologies (e.g. artificial intelligence, machine learning) will be fully exploited for both the global and local control of the integrated manufacturing system and the corresponding tasks. Besides, the activities will consider the key aspect of legacy systems requiring digital technologies to be compatible and interoperable with the new ones, thus ensuring a quick and economically effective application to the industrial production.

- As first, a large group of activities can be characterised by the orchestrated integration of **new digital tools for monitoring and control** inside the novel architectures of ICT and the extensive use of Industrial Internet of Things (IoT) approach.
- Because of the parallel important activities to develop of **new measurement techniques covering the new processes**, **conditions and resources**, IoT allows the easy and fast integration of the new measurement techniques into the set of data streams to be monitored and offline and online used for process setup and control and knowledge extraction
- To do so, Cybersecurity aspects must be deployed with specific strategies devoted to the steel sector. The management of such an integrated manufacturing system.
- To handle the new process conditions and the corresponding new issues, e.g. related to safety and the stronger fluctuations of energy supply and process conditions, Machine Learning and Artificial Intelligence techniques will play an ever-increasing role.

According to the standardised description of the ICT and automation systems (Figure 18), all three automation levels of Plant Control, Scheduling and Production Planning and Control will be affected. Here, new predictive and dynamic models have to be developed, which can describe the new processes and process conditions. Furthermore, scheduling techniques will be important, on the one hand, to consider the new conditions and issues to enable the automation and execution of the new processes and process chains. On the other, the increased dynamics of markets and supply chain must be managed with the support of event prediction and optimised reactive policies. In addition, more **strategic planning and intelligent scheduling tools will be needed**.

Figure 18 ICT and Automation description according to ISA88/ISA95 Standards



Source: Author's own elaboration.

Their tasks are the planning, assessment and optimisation of the industrial transition process considering the three pillars of sustainability: environment (e.g. tools for life cycle impact assessment), economy (e.g. costs and market conditions) and society (e.g. new skills, continuous training, knowledge extraction, etc.).

Table 12 summarises the contribution of enablers for clean steel developments to the areas of intervention covered by the Clean Steel Partnership.

Table 12: Contribution of Building Block 10 to the six areas of intervention

CDA - Major contribution	• The new CDA techniques need new measurement technologies and digital tools e.g. to handle new safety issues (e.g. handling of hydrogen) and upskill/support of staff regarding the new processes with intelligent scheduling of resources and AI-enabled event management.
SCU-CCUS - Minor contribution	• Integration of SCU-CCUS in the process systems needs new measuring technologies and digital tools (e.g. for control of gas circuits)
SCU-PI - Major contribution	• The realisation of SCU-PI technologies needs new measuring technologies and digital tools, this applies in particular for the intermediate transition states (e.g. to handle the influences on gas circuits) • PI in its general definition includes also the optimised combination resp. coordination of processes inside the process chain, thus, this area of intervention also considers techniques which are needed across the whole process chain for optimum process integration inside the future carbon-free steel production chains (closely linked to the area of intervention “Combination of technological pathways”).
CE - Minor contribution	• New digital tools are needed to plan, schedule, monitor and control the new material cycles • New tools to support life cycle impact assessment are needed

Combination – Major contribution	• The decarbonisation often includes combinations of techniques which will create several needs for the enablers considered in this building block, e.g. regarding planning, scheduling and automation tools with the extended application of process Digital Twins for in-line and off-line analyses (scenario evaluation, risk assessment etc.)
Enablers & Support Actions - Major contribution	• There are strong links due to the similar focus of building block and area of intervention

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.11. Building block 11: Low CO_2 emissions downstream processes

Today, downstream steel processing (rolling, heat treatment and finishing) accounts for a significant portion of direct specific CO_2 emissions in case of the EAF/scrap route (more than 50%). **Reducing GHG emissions of downstream processes** is therefore mandatory in case of the EAF route. However, it is also an important step for all the steel routes to support the decarbonisation process of the downstream production looking at 2030 target and a mandatory one for reaching the lower target of 2050. Several techniques are already available for reducing CO_2 emissions from the downstream processes that respond, besides the economic concerns related to the investment costs, also to the criteria of environmental sustainability. However further developments are needed for a more consistent reduction targeting to "zero CO_2 emissions" through a progressive path.

This building block starts from the consideration that the new scenarios based on CDA and SCU pathways consider new feedstock (syngas from CCU, H_2 from renewable, biogas for biomass, etc.) that will be available in a big quantity at the steel plant. The **feedstock can be used as low carbon fuels** to replace, in part or totally the natural gas, contributing at the CO_2 emission reduction in the downstream steel processing furnaces and combustion systems. Therefore, **fuel flexibility** is one of the pillars of this building block, leading to the development of **high efficiency, low emission multi-fuel burners technologies** that allow the downstream steel processing to remain aligned and take advantage from the gradual decarburisation of liquid steel production. The **combustion of hydrogen-enriched hydrocarbons or finally of 100% green hydrogen** seems to be the most promising development, however, the extension of the fuel flexibility concept towards an effective zero CO_2 emissions target can also require the adoption of **new carbon-free energy carriers** such as bio-fuel, ammonia or methanol.

The **furnace efficiency** is the second pillar. Today, heat recovery, by recirculating back to the furnace a part of the heat content in the flue gases preheating combustion air (up to 550°C), is the most common technique to reduce the energy consumption. Among the technologies already successfully applied, "Regenerative Combustion Systems", thanks to the integration between the burner and ceramic heat exchange, allows a further consistent reduction (15-20%) of the specific consumption of a reheating furnace thanks to a higher combustion air preheating (100-150 °C less than the process temperature). Introducing innovations in the **technology of the metallic-bundled heat recuperators** and/or in using additive manufacturing can open new opportunity for improving efficiency. Moreover, the heat content of the flue gases, which cannot be recovered to the combustion chamber of the furnaces, is lost in normal conditions. R&D&I will address the potential reuse of such heat loss for thermal processes operated at a lower temperature. In addition, the energy input into the furnaces and material treatment could be electrified.

Nitrogen oxides (NOx) emissions, that results from the integration of new flexible combustion systems with more efficient heat exchangers, is the further challenge to effectively take advantage of new technologies and reach substantial CO_2 reduction. The increase of NOx emission, in fact, it is well known in case of hydrogen reach fuels (such as today for the coke oven gas). Extension of flameless concept and oxyfuel combustion is a research topic to lead to energy saving and accordingly **less CO_2 emissions and, at the same time, less NOx emissions**. Potential benefits in term of operating expenses can come also come from the availability of oxygen as residues of green hydrogen produced by electrolysis.

Finally, **hot charging** can be considered, allowing the reduction of the chemical energy input to the process by typically 10%. The development must be related to the handling that today limit the number of applications of this technology and to the production flexibility which is somehow reduced. Hot charging technology might be made more effective and more robust in giving positive outcomes using adaptive dynamic techniques for controlling the process while artificial intelligence can have a positive contribution and may open new research paths to be explored.

Table 13 summarises the contribution of low CO_2 emissions downstream processes to the areas of intervention covered by the Clean Steel Partnership.

Table 13: Contribution of Building Block 11 to the six areas of intervention

CDA - Major contribution	• Innovations in the technology of the heat recuperators and/or in using additive manufacturing can open new opportunity for improving the efficiency of re-heating and treatment furnaces. This must be combined with an extension of flameless concept and oxyfuel combustion to limit the NOx emissions. • Concepts for efficient use of waste heat in downstream processes • Fuel flexibility for the downstream processes • In addition, and in case of in-situ electrolysis for H_2 production, the by-produced O_2 can be directly used in the combustion process • Oxygen as residue from electrolysis has a great potential to replace air for combustion. Therefore, the connection of CDA technologies with a CO2 reduction of the downstream process is of high importance.
SCU-CCUS - Major contribution	• This building block starts from the consideration that the new scenarios based on CDA and SCU pathways consider new feedstock (syngas from CCU, H_2 from renewable, biogas for biomass, etc.) that will be available in a big quantity at the steel plant. The feedstock can be used as low carbon fuels to replace, in part or totally the natural gas, contributing at the CO_2 emission reduction in the downstream steel processing furnaces and combustion systems. • Therefore, fuel flexibility concept is one of the pillars of this building block, leading to the development of high efficiency, low emission multi-fuel burners technologies that allow the downstream steel processing to remain aligned and take advantage from the gradual decarburisation of liquid steel production. • In addition, and in case of in-situ electrolysis for H_2 production, the by-produced O_2 can be directly used in the combustion process
SCU-PI - Major contribution	• Innovations in the technology of the metallic-bundled heat recuperators and/or in using additive manufacturing can open new opportunity for improving the efficiency re-heating and treatment furnaces. This must be combined with an

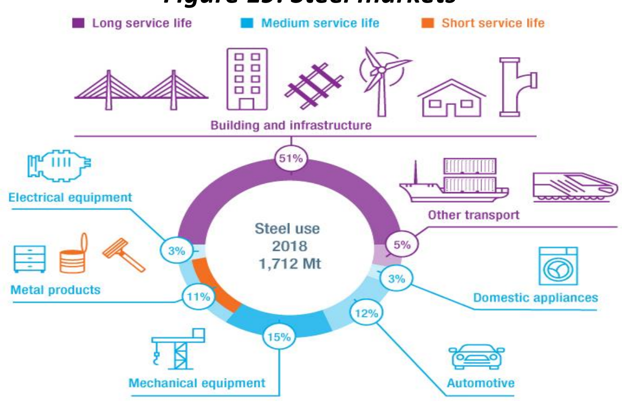
	• extension of flameless concept and oxyfuel combustion to limit the NOx emissions. • Moreover, the heat content of the flue gases that cannot be recovered to the combustion chamber of the furnaces and in normal conditions is lost, can be reused for thermal processes operated at a lower temperature. This is the case of the steam production that can be realised by installing a boiler at the base of the stack of the furnace.
CE - Minor contribution	• Scale residues contain high % of ferrous oxide (> 90%) that can be recovered as scarp substitute
Combination – Major contribution	With BB4, BB5, BB6, BB8, BB9, BB10, BB11: • Today, downstream steel processing (rolling, heat treatment and finishing) accounts for a significant portion of direct specific CO_2 emissions in case of the EAF/scrap route (more than 50%). To address how to reduce the GHG emissions of downstream processes is therefore mandatory in case of the EAF route. However, it is also an important step for all the steel routes to support the decarbonisation process of the liquid steel production looking at 2030 target and mandatory for reaching the lower target of 2050.
Enablers & Support Actions - Major contribution	• Hot charging technology might be made more effective, flexible and robust in giving optimised indications (set up) using adaptive dynamical process control techniques based on machine learning and artificial intelligence can speed up the optimised sequence scheduling continuously adapting the execution to process evolution. In general, such expected contribution might open new research paths to be explored

Source: Author's elaboration on consultation with ESTEP members.

2.1.2.12. Building block 12: Innovative steel applications for low CO_2 emissions

Steel is a base material for economic activities accounting for about 1700 Mt/year globally, roughly 10% of steel (ca. 170 Mt/year) is consumed/produced within the EU. **Steel is applied for building and infrastructure, mobility and transport, energy and engineering and other metal products** (see Figure 19 below). Through components requiring higher strength and higher other resistance (for instance towards hot gases), technologies needed for clean steelmaking can be developed and deployed. Infrastructure allowing operation at flexible energy supply (for instance pressure vessels for intermediate storage e-gas) rely strongly on specific steel grades and design.

Figure 19: Steel markets



Source: Worldsteel, for further details please see: worldsteel.org/steel-by-topic/steel-markets.html

Solutions **generating renewable energy** rely strongly on steel: e.g. towers, engines, transmissions in wind power, support systems for solar power, vessels and tubings in solar heat, and many other applications. In renewable energy generation steel provides the characteristics needed and is available in huge quantities to enable the rapid deployment of various solutions contributing to the increase of renewable energy supply of the future. The CO_2 emission reduction of the production of renewable energy (compared to gas/coal-based generation) overrules the CO_2 intensity of the steel-based equipment within less than one year, further optimisation potential is put in place.

In the field of **mobility**, the design and deployment of lightweight components and advanced high strength steel solutions enables the transport of goods and people with low specific energy need. In this case, steel is the best compromise between safety, economics, life cycle aspects and manufacturing technologies.

The development of modern high-strength grades in combination with advanced technologies for assembling allows the further optimisation of steel used in **buildings and infrastructure** – similar characteristics can be realised with a reduced amount of steel, thus lower CO_2 impact on the overall structure.

Table 14 summarises the contribution of innovative steel applications for low CO_2 emissions to the areas of intervention covered by the Clean Steel Partnership.

Table 14: Contribution of Building Block 12 to the six areas of intervention

CDA - Major contribution	• The design of new reactor concepts and process routes requires adapted steel grades compared with the BF-BOF route and other raw materials • Advanced reactor technologies using steel solutions based on high-performance steel grades (towards very high temperatures, aggressive gases)
CCUS - Minor contribution	• Continuous improvement of existing processes
SCU-PI - Minor contribution	• Continuous improvement of existing processes • Temporary energy storage solutions (e.g. large volume higher pressure vessels) will mediate between energy (gas, electricity) supply and energy use in different processes
CE - Minor contribution	• Continuous improvement of existing processes
Enablers & Support Actions - Minor contribution	• Continuous improvement of existing processes

Source: Author's elaboration on consultation with ESTEP members.

2.2. Timeline and budget distribution

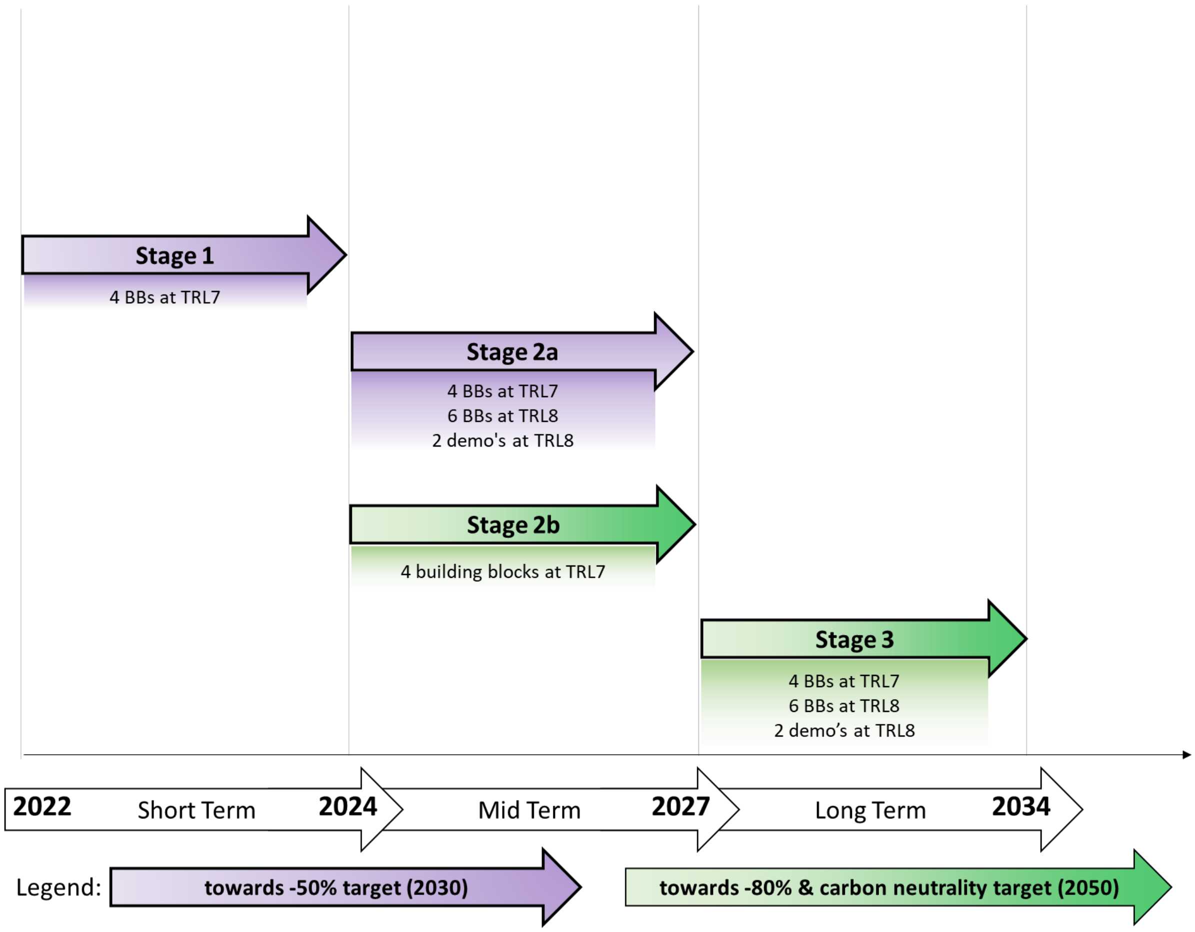
2.2.1. Timeline - the multistage approach

High capital intensity, long payback periods and investment cycles between 20 and 30 years are major obstacles to accelerate carbon mitigation in the steel industry. Therefore, the Clean Steel Partnership proposes a three-stage approach to address these challenges by dividing the investments into different phases and allow for a smooth transition towards clean steelmaking in the EU. **Stage 1** (short- to medium-term impact measures) targets projects that generate 'immediate' CO_2 reduction opportunities. **Stage 2** (medium-term impact measures) focuses on those projects that may not be implemented 'immediately' in the installed base, but allow for a quick migration (evolution) towards improved processes. Finally, **Stage 3** (medium- to long-term impact measures) looks at those projects that can 'revolutionise' the steel industry through breakthrough development, and require significant capital investment in new processes. This **multi-stage approach** of the Clean Steel Partnership provides the rationale behind the budget split over time and areas of intervention, as further discussed in what follows.

As shown in Figure 20 the budget is expected to finance **16 projects resulting in building blocks at TRL7** (10 - 30 million euros each), **12 projects resulting in building blocks at TRL 8** (30 - 60 million euros each) and **4 demonstration projects** (up to 100 million euros each).[40] These 4 demonstrations, which will combine different building blocks, will be launched in 2023, 2024, 2026 and 2027. Two of them target technologies that have up to 50% CO_2 mitigation potential by 2027, and the other two support technologies with up to 80% of CO_2 reduction by 2030.

[40] The budget of projects will depend on the total budget of the Clean Steel Partnership, which in turn depends on the Multiannual Financial Framework decision.

Figure 20: Multi-stage approach and related targets



Source: Author's elaboration on consultation with ESTEP members.

Table 15 shows the building blocks that are expected to achieve the TRL targets presented in Figure 20 in each stage, and the pathways affected by such building blocks. It is worth emphasising that in Stage 1 R&D&I activities will start in more than four building blocks, and in stage 2 R&D&I activities are expected to start in all building blocks. The proposed multi-stage approach will be updated, if needed, as a result of the review of the Roadmap performed by the Implementation Group of the Clean Steel Partnership (see Section 4.1)

Table 15: Multi-stage approach and building blocks achieving the targets presented in Figure 20

Stage	BBs	Activity	Associated pathway
Stage 1	BB2	CO_2 neutral iron-ore reduction	CDA
	BB4	Adjustment of today's production to prepare for the transition	Combined (CDA, SCU-PI & SCU-CCUS)
	BB5	CO/CO_2 capture and storage	SCU-PI
	BB9	Steel specific circular economy solutions	CE

Stage 2	BB1	Gas injection technologies	SCU-PI
	BB2	CO_2 neutral iron-ore reduction	CDA
	BB3	Melting of pre-reduced and reduced ore, scrap	SCU-PI
	BB4	Adjustment of today's production to prepare for the transition	Combined (CDA, SCU-PI & SCU-CCUS)
	BB5	CO/CO_2 utilisation	SCU-CCUS
	BB6	Raw material preparation	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB7	Heat generation for processes	Combined (CDA, SCU-PI & SCU-CCUS)
	BB8	Energy management/energy vector storage	CDA
	BB9	Steel specific circular economy solutions	CE
	BB10	Enablers (skills, digitalisation)	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB11	Low CO_2 emissions downstream processes	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB12	Innovative steel applications	Combined (CDA, SCU-PI & SCU-CCUS)
Stage 3	BB1	Gas injection technologies	SCU-PI
	BB2	CO_2 neutral iron-ore reduction	CDA
	BB3	Melting of pre-reduced and reduced ore, scrap	SCU-PI
	BB4	Adjustment of today's production to prepare for the transition	Combined (CDA, SCU-PI & SCU-CCUS)
	BB5	CO/CO_2 utilisation	SCU-CCUS
	BB6	Raw material preparation	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB7	Heat generation for processes	Combined (CDA, SCU-PI & SCU-CCUS)
	BB8	Energy management/energy vector storage	CDA
	BB9	Steel specific circular economy solutions	CE
	BB10	Enablers (skills, digitalisation)	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB11	Low CO_2 emissions downstream processes	Combined (CDA, SCU-PI & SCU-CCUS, CE)
	BB12	Innovative steel applications	Combined (CDA, SCU-PI & SCU-CCUS)

Source: Author's elaboration on consultation with ESTEP members.

A way forward would be the launch of several **multi-partner projects** (targeting at least three beneficiaries and engaging at least three EU Member States) to achieve the objectives of the Clean Steel Partnership. Within the multi-partner projects, the partners would further develop individual or combination of technologies at industrial pilot scale towards TRL7 and/or TRL8. An industrial pilot installation can be established at one location with the contribution of all partners or modules of the industrial pilot installation can be established at several locations with the contribution of all partners. Results from multi-partner projects (intermediate and/or final reporting) would enable the creation of synergies within a maturing building block and between maturing building blocks in one or different pathways.

2.2.2. Budget distribution

The achievement of the objectives of the Partnership (i.e. piloting and demonstrating breakthrough technologies that can substantially reduce CO_2 emissions from the steel industry while at the same time preserving its competitiveness), and the realisation of the opportunities for the EU steel industry of becoming a global leader in clean steel technologies require both a number of **external conditions** and the **strong effort of the sectoral players**.

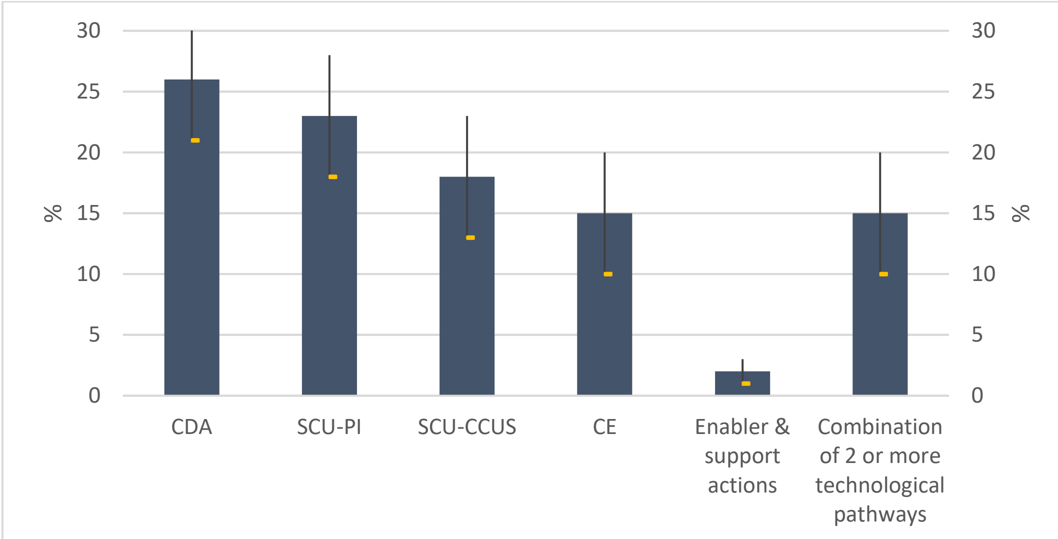
Based on the estimated industrial efforts from the steel sector in R&D&I projects falling within the scope of this Roadmap, **the total resource requirement is estimated at around EUR 3 billion during 2021-2030.**[41] This R&D&I investment will have then to be followed up by a multiple of these resources, to ensure that the technologies are deployed and rolled out. Due to the collaboration among steel producers, reasonable synergies are expected compared to the company by company approach, thus reducing **the investment need to approximately EUR 2.55 billion**. The **'wider boundary'** of the Partnership, i.e. the collective investments needed from the public and private side for the **period 2021-27, is estimated at EUR 2 billion.** The remaining **EUR 0.55 billion** will be allocated to the period 2028-30, during which projects will still be completed. The expected investments to be managed within the **scope** of the Clean Steel Partnership are worth **around EUR 1.4 billion** during 2021-27[42]. Major private funding would match public funding from the Union, such as Horizon Europe and the Research Fund for Coal and Steel. Furthermore, the Partnership's activities will mobilise **further resources from other EU funded programmes and the Member States**, as several countries have expressed their expectation to orientate their national R&D&I programmes to ensure complementarity with the Partnership and to further increase leverage. Besides financial support, the members of the Partnership will also provide resources to ensure proper staffing of the Secretariat of the Partnership, as well as the various bodies of the governance structure as indicated in Chapter 4 of the Roadmap (contributions in kind or cash).

The European Commission, the Member States and the European steel industry are also expected to invest massively in the market deployment of low carbon steelmaking technologies, going beyond R&D&I projects. Instruments outside the Clean Steel Partnership like the EU-ETS-Innovation Fund, Important Projects of Common European Interest (IPCEIs)and national decarbonisation funds are needed to support the roll-out of breakthrough technologies in the steel industry in the coming years.

Based on the analyses of the investment needs in R&D&I by the steel stakeholders, the **budget will be split over the different areas of intervention** as shown in Figure 21 and **across years** as shown in Figure 22. Further details on the scale of resources needed to implement the Roadmap and contribution from the private side are presented in Chapter 3.

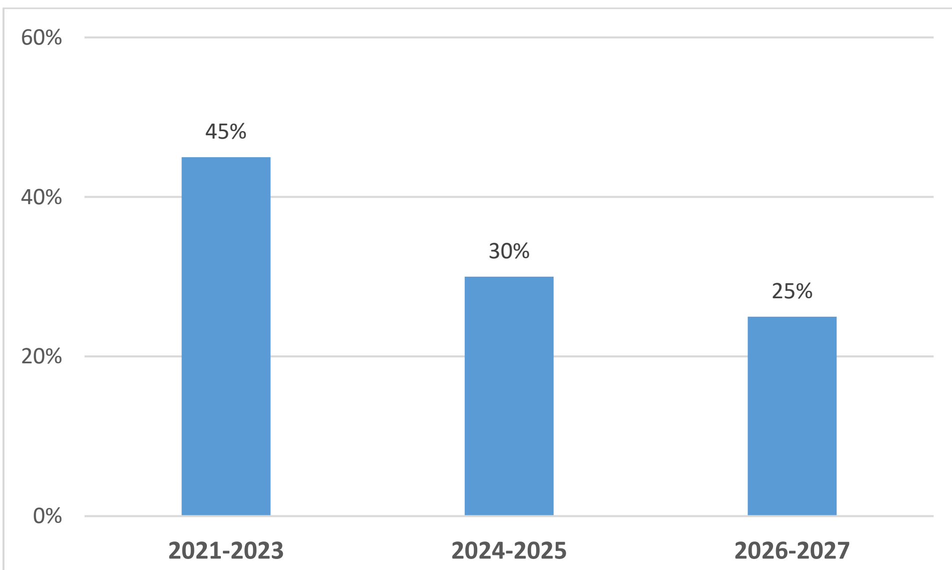
[41] Data collected by ESTEP and EUROFER.
[42] The total budget of the Clean Steel Partnership still depends on the Multiannual Financial Framework decision.

Figure 21: Budget spit over areas of intervention (average values, range min to max)



Source: Author's elaboration on consultation with ESTEP members.

Figure 22: Budget split over groups of years (percentage)



Source: Author's elaboration on consultation with ESTEP members.

Chapter 3: Expected Impacts

Summary

Scale of resources to implement the Roadmap and potential for additional investment

- The resources needed to implement the Roadmap have been split across three phases (2021-23, 2024-25, and 2026-27), with the highest emphasis being placed on the beginning of the Partnership, reflecting the need for immediate intervention.
- A range of contributions from both private and public side will be required. From the private side, resources will mainly consist in in-kind contributions and investments in projects funded by the Union and other activities foreseen by the Roadmap. Private contributions will concern both the implementation of the Roadmap by setting up calls for the Partnership and mobilising resources beyond the Union programme, as well as other activities such as workshops, discussion, and the provision of information on EU R&D&I programmes.
- The Partnership will generate both direct and indirect leverage effects for additional investments.
- The investment needed to deploy the developed technologies at an industrial scale is envisaged to be at least three times the R&D&I resources provided by the Partnership.

Impacts on industry and society

- The objectives and impacts of the Partnership are in line with the pathways of Horizon Europe.
- The Partnership will also contribute to the Sustainable Development Goals 3, 8, 9, 12 and 13 under the United Nation's 2030 Agenda.
- Actions in the various areas of intervention will generate several impacts in various areas, such as:
    - CO_2 reduction: new technologies will be deployed that could reduce emissions from EU steel production by 50% by 2030, compared to 1990 levels;
    - Industry and EU competitiveness: The support for the deployment of the decarbonisation technologies will allow the EU to remain a global leader in the steel industry and to reinforce its knowledge-based competitive advantage;
    - Resource efficiency: the partnership enables the coordination of technological progress in the use of steel scrap and by-products, leading to an enhanced, larger use of those resources;
    - Jobs and skills: the Partnership will support the preservation of high-quality jobs in the steel making value chain.

EU added value and additionality of the Partnership

- The EU added value of the Partnership is obtained through a coordinated approach across stakeholders, technologies, production routes, and Member States; leverage of private investments; timely and well-planned intervention and clear exit strategy to phase out from public support for R&D&I.
- The Partnership can generate other forms of additionality by cross-fertilising both suppliers and customers and collaborating with other Partnerships and research programmes under Horizon Europe.
- The Partnership will contribute to R&D&I Missions of Horizon Europe on climate-neutral and smart cities; soil health and food; and on adaptation to climate change including social transformation.

- Spill-overs in other value chains and industries will be generated via clean steel as input and by trickling know-how down the value chain.

Monitoring and assessing progress

- A range of Key Performance Indicators (KPIs) has been developed to monitor and assess the progress of the Partnership's specific and operational objectives. Each KPIs is accompanied by two targets, one to be achieved by 2024 (mid-term evaluation) and one by 2030 (project completion).
- Within each KPIs, deployment and TRL of the technology is the most important indicator to measure whether the introduced innovations generate their expected impacts.

3.1 Scale of resources to implement the Roadmap and potential for additional investment

3.1.1 Scale of resources

Addressing the R&D&I challenges that the Clean Steel Partnership is to tackle will require significant resources from both the public and private side. As mentioned in Chapter 2, the total resource requirements between 2021 and 2030 were estimated at EUR 3 billion, but due to expected synergies stemming from the collaboration of steel producers, the investment needs can be calculated at **EUR 2.55 billion** for the next decade. For the Partnership period of 2021 to 2027, collective investments needed from the public and private side are estimated at **EUR 2 billion ('wider boundary'),** and the remaining funding (estimated to be EUR 0.55 billion) will be allocated to the period immediately after the Clean Steel Partnership, **2028-30**, where some projects will still be completed. The total budget of the Clean Steel Partnership still depends on the Multiannual Financial Framework (MFF) decision. Based on the assumption that within the **scope** of the Clean Steel Partnership it manages **EUR 1.4 billion,** major private funding would match public funding and is to be accomplished with in-kind contributions by industry. The financial resources will be continuously allocated during the seven-year period to high TRL projects and TRL8 demonstrators.

Table 16 presents the allocation shares for the budget of the Partnership by areas of intervention, and the sources of contribution and how they are split over the period covered by the Partnership. The expenditures have been divided for **three phases** (2021-23, 2024-25, and 2026-27), with the highest emphasis being placed on the beginning of the Partnership, reflecting the need for immediate intervention. As detailed in Chapters 1 and 2, there are two main technological pathways – **CDA and SCU** – to decarbonise the steel production, and these, together with the **CE approach**, are the primary focus of the R&D&I efforts proposed. The attribution by areas of intervention reflects those priorities.

Table 16: Allocation of the budget by areas of intervention of the Clean Steel Partnership

Areas of intervention	2021-2023	2024-2025	2026-2027	2021-2027
	Total (%)	*Total (%)*	*Total (%)*	*Total (%)*
Carbon Direct Avoidance	11.7%	7.8%	6.5%	26.0%
Smart carbon usage via CCUS (specific to steel)	8.1%	5.4%	4.5%	18.0%

Smart carbon usage via process integration	10.4%	6.9%	5.8%	23.0%
Circular economy	6.8%	4.5%	3.8%	15.0%
Combination of pathways	6.8%	4.5%	3.8%	15.0%
Enablers & support actions	1.4%	0.9%	0.8%	3.0%
TOTAL	**45.0%**	**30.0%**	**25.0%**	**100.0%**

Source: Author's elaboration on consultation with ESTEP members.

3.1.2 Public and private contributions

The ambitious objectives of the Partnership will require significant efforts from both the private and the public side, via a variety of different contributions**. Resources contributed by the private side** will consist of:

- **In-kind contributions** to the projects funded by the Union (on the basis of non-reimbursed eligible costs, non-eligible costs and infrastructure costs)[43], with lower funding rates for high TRL[44];
- **In-kind contributions** for additional activities foreseen in the Roadmap[45] not covered by Union funding, such as:
  - Private company research funding linked to the Partnership on Clean Steel R&D&I framework;
  - Costs incurred by companies associated to the financing of demonstrators or pilot lines;
- **Investments in operational activities**[46] that are spent beyond the work that is foreseen in the Roadmap, such as additional investments by companies whose trigger will stem from technology improvements generated by projects within the Partnership for Clean Steel;

The main contribution expected from the public side is to provide the support and means needed **for the steel sector to reach its ambitions** on climate neutrality, circular economy and zero-pollution for a toxic free environment, while at the same time improving its competitiveness. An open and transparent dialogue between the public and the private sides will be fundamental. As the promoters of the European Green Deal, the Circular Economy Package, the Industrial EU policy, the Skills Agenda and other relevant policies, the public side is in a unique position to provide the private side with relevant information in a timely manner so to achieve the objectives of the partnership.

As far as the **implementation of the Roadmap** is specifically concerned, the public side commitment consists in:

[43] The private side committed to finance up to EUR 1 billion by matching public contributions (see letter from CEOs of major EU steel companies to President Juncker, available at: https://www.estep.eu/assets/CSP-letters/20180925-Letter-to-Pres.-Juncker-and-College-of-Commissioners-on-Low-Carbon-Steel.pdf)

[44] In principle the normal funding rates should apply. In special cases, a lower funding rate for high TRL is acceptable, but must be at least 50%.

[45] Information on additional activities can only be shared if it is not bound by confidentiality and it is compliant with national and EU competition law.

[46] Information on operational activities can only be shared if it is not bound by confidentiality and it is compliant with national and EU competition law.

- **Setting up calls** for the Partnership on Clean Steel in the Union programmes based on the building blocks identified in the Roadmap of the Partnership on Clean Steel.
- **Facilitate the mobilisation of resources beyond the Union programmes,** through an optimal combination of funding and financing schemes, from Member States and regions to de-risk the innovations up to TRL9 so that developments also can be implemented.
- Provide inputs to **enable a regulatory framework** for the expected impacts of the partnership to be delivered based on the sustainability principles.

In addition, the public side will facilitate an **open and structured discussion** to ensure the appropriate financing to de-risk investments up to TRL 9 and ensure **internal coordination** with complementary EU R&D&I programmes.

3.1.3 Leverage effect

A partnership like the Clean Steel partnership is expected to generate both **direct and indirect leverage effects** for additional investments. At the core of these leverages are the EU contributions to the partnership. Direct leverage effects will be manifested in the following:

- The private side matching the core EU contributions, for example from Horizon Europe and the Research Fund for Coal and Steel;
- Investments from Member States directly mobilised through the initial investments of the Partnership, which again will be matched from the private side to reach the required overall funding.

In addition to the resources directly related to the Clean Steel Partnership, indirect leverage effects are to be expected. There are several reasons and past experiences from other frameworks allowing such leverage effects to manifest, such as:

- The Partnership provides an important financial backing for R&D&I efforts to mature and take steps in its lifecycle up to the crucial demonstration phase, which **decreases the risk of investment** for other stakeholders and thereby gives them an incentive to undertake additional investments.
- **Private actors** have already indicated and shown their commitment to invest, but the willingness to take those is generally higher when the technology is more mature and near to deployment, as investments in earlier stages carry a significantly higher risk; the Partnership will indeed allow bringing several technologies to the deployment stage and leverage investments to exploit and up-scale technologies.
- The Partnership's activities will steer individual **Member States** to support a key industry with further resources and orientate their national R&D&I programmes to ensure complementarity with the Partnership, hence further increasing leverage.
- The **experience from other private-public frameworks** suggests that R&D&I investments built upon such frameworks are financially beneficial to stakeholders. Under the **RFCS** for example, EUR 1 spent by a stakeholder in R&D&I supported by the RFCS programme generated about EUR 5 of benefits.[47]

[47] European Commission (2020), RFCS – Monitoring & Assessment Report (2011-2017), DG for Research and Innovation, p. 110.

- The EU steel industry is diversified across numerous Member States and different production processes, leading to market players constantly aiming to optimise processes in order to comply with high environmental standards and **be innovative and competitive** within a global market.

A strong effort will be required by sectoral players even beyond the Clean Steel Partnership to realise its potential of drastically reducing CO_2 emissions while ensuring that the EU steel industry remains a global leader in clean technologies. The **investment needed to deploy the developed technologies at industrial scale is envisaged to be at least three times the R&D&I resources**, most likely even more. An **investment of at least three times the envisaged R&D&I resources is needed to deploy the technologies developed at an industrial scale**. The resources deployed via the Clean Steel Partnership and the subsequent investments will **ensure the delivery of demonstrators** combining several building blocks in the various areas of intervention. The subsequent steps, i.e. the **upscaling to full industrial roll-out**, may be outlined as a follow-up activity of projects under the Clean Steel Partnership, but will not be realised within the scope of the Partnership. However, the plant builders, with their capability to participate in the engineering and technology commissioning phase of the proposed solutions, are expected to take up the most promising technologies and bring these up to the market stage. These final steps, driven by the plant builders in collaboration with the steel producers and other stakeholders, will be decided on a case by case basis. Depending on the potential of the solutions, the engineering for **industrial upscaling would normally require a budget of about 25 to 35% of the demonstration budget**. The upscaling can be jointly supported by in-kind participation, rolling-up expenses, or remuneration from selling fees and intellectual property rights.

Testing the breakthrough technologies at high TRL requires significant effort from the steel producers. For instance, processing high volumes of hydrogen requires a modification of the gas infrastructure. The change might negatively impact the productivity of these steel sites. The Clean Steel Partnership and Roadmap would, therefore, need to take into consideration this type of efforts borne by the steel producers, i.e. additional operating costs, as an in-kind contribution from their side.

3.2. Impacts on industry and society

Implementing the Clean Steel Roadmap will lead to environmental, economic, and social impacts through what the European Commission calls 'this generation's defining task'[48] by **tackling climate change and fostering sustainable growth**. In this respect, the Clean Steel Partnership is intended to support EU policy priorities, in particular by increasing the uptake of new green technologies, and in doing so generating economic growth and more and better jobs. Achieving those objectives will ensure that the Clean Steel Partnership and this Roadmap deliver many impacts, which are beneficial for both the steel industry and the EU society as a whole.

The objectives and impacts of the Clean Steel Partnership are in line with the pathways of its overarching framework, Horizon Europe. More in detail, the Partnership's objectives in relation to **Horizon Europe** programme can be summarised as follows:

- Promoting the decarbonisation of the EU steel industry facilitates the attainment of Programme's **objective on fostering innovation and technological development**;

[48] European Green Deal, p. 2.

- Strengthening the global competitiveness of the EU steel industry contributes to the Programme's **objective to foster the Union's competitiveness in all Member States and industries**;
- Upskilling the steel workforce is linked to the Programme's **objective on creating and diffusing high-quality knowledge and skills**;
- Fostering R&D&I collaboration between EU companies operating in clean steel value chains helps achieve the Programme's **objective on facilitating collaborative links in European R&D&I.**

With specific respect to the **UN's 2030 Agenda and SDGs**, the Partnership will contribute to the following goals:

- **Goal 3 on Good Health and Well-being.** By decarbonising the steel industry, the Partnership will contribute to reducing the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
- **Goal 8 on Decent Work and Economic Growth.** Additional circularity of materials and improved productivity and efficiency in steelmaking contribute to sustainable growth and better working conditions;
- **Goal 9 on Industry, Innovation, and Infrastructure**. Technical developments in the steel sector bring huge potentials for less resource-intensive infrastructure solutions and contribute to the transformative innovation in other industrial sectors, leading to growth, high-value technology, innovation, and resource efficiency;
- **Goal 12 on Responsible Consumption and Production**. The enhancement of circularity in the steel industry contributes to the promotion of responsible consumption and production patterns;
- **Goal 13 on Climate Action**. The Partnership will facilitate research, development and demonstration of technologies that eliminate CO_2 emissions in the steel sector.

Actions in the various areas of intervention will generate a number of impacts in different spheres, namely:

1. **CO_2 reduction.** With the appropriate conditions in place, notably the right infrastructure and a supportive regulatory framework, the European steel industry will be empowered and fully committed to the EU's climate objectives and sustainable growth targets. The sector would be able to develop, upscale and roll out **new technologies that could reduce CO_2 emissions from EU steel production by 50% by 2030 and by 80 to 95% by 2050** (compared to 1990 levels), thus proceeding towards climate neutrality, while also contributing to greenhouse gas mitigation across all sectors. The most promising breakthrough technologies, which are to be tested and implemented between 2020 to 2030, and beyond include CDA, SCU-PI and SCU-CCUS.
2. **Industry and EU competitiveness.** The support for the deployment of the decarbonisation technologies will allow the EU to remain a global leader in the steel industry and to reinforce its knowledge-based competitive advantage. The generation of a new market for clean steel and related technologies, along with a global level playing field with regard to CO_2 costs, has the potential to increase the competitiveness of the EU steel industry, as a first mover and technology leader (combined with the strong position of EU plant builders). However, decarbonisation technologies lead to an increase in operating costs of 30% to 100%, which thus justify a joint

public-private approach to avoid that these costs put EU players out of the market. Furthermore, to be cost-effective, the transition should take place in steps, taking into account that during the transition period a significant amount of CO_2 emissions will be already mitigated.

3. **Resource efficiency.** The steel industry is in a prime position to foster resource efficiency through the CE concept. Steel is endlessly recyclable, though the quality of recycled still is lower, which in turn calls for more R&D&I efforts in this area. Furthermore, the residues of steelmaking, such as slag, can be a valuable resource for other industrial uses. In addition, the process gases from steel plants have the potential to be reused within the production process or also be passed on as a resource. The right R&D&I framework enables not only the coordination of technological progress in the utilisation of steel scrap, process gases, and waste heat, but also the enhanced cooperation along the value chain to increase the use of recycled resources. Thereby, the necessary input of raw materials is significantly reduced, and less CO_2 emitted.
4. **Jobs and skills.** The steel sector is characterised by high-quality jobs, with relatively high salary and secure contractual conditions. During the transition towards climate-neutral steelmaking, ensuring the viability and competitiveness of the steel industry will determine the number of jobs that can be preserved. While productivity gains may lead to a reduction in the number of jobs, ensuring that the EU becomes a leader in clean steel will increase market opportunities. At the same time, jobs will become more challenging, as workers will have to familiarise with and manage new advanced technologies. The Clean Steel Partnership will consider this perspective, by looking at the support of dedicated instruments which focus on skill and job programmes.

As shown in Section 2.1 above, each area of intervention corresponds to one of the specific objectives described in Section 1.4. In what follows, the expected impact of achieving each of the specific objectives is thoroughly analysed.

3.2.1. Specific Objective 1. Enabling steel production through carbon direct avoidance (CDA) technologies at a demonstration scale

CDA, as the name already suggests, is the technological pathway striving for new processes of steelmaking from virgin iron ores and suitable scrap while abating CO_2 emissions. The key is to replace current fossil fuels via one of the two main technologies under CDA, namely hydrogen-based metallurgy and electricity-based metallurgy.

This objective of steel production through CDA technologies will be achieved by using renewable energy to replace fossil fuel, developing hydrogen-based reduction, and melting processes, and performing direct reduction with electrolysis. Due to the direct avoidance of carbon, this objective has a very high impact factor on **CO_2 reduction**. Additionally, it utilises renewable energy inputs and achieves new applications for residues, such as slag from the EAF-route, and thereby impacts the **resource efficiency**. The following are examples of concrete technology that will allow these impacts to manifest:

- Utilising **H_2** for different technologies, for example, as a reduction agent to remove impurities, mainly oxygen in various forms, via **direct reduction** of iron ores. Removing impurities before melting allows a more efficient use of resources and reduces CO_2 emissions. The hydrogen-based direct reduction has a short- to mid-term mitigation potential of up to 95% for the respective EAF production route it is used in, using only zero-carbon electricity. Another example using H_2 is to directly perform a **transformation from iron oxides to liquid steel with hydrogen plasma**. This technology will only be able to manifest in the long-term and has a mitigation potential of up to 95% for steelmaking using the CDA technology.[49]

- **Fuel flexibility concepts**, which consider new feedstock, such as H_2 from renewables or biogas from biomass, leading to the development of high efficiency, low emission multi-fuel burners technologies. This will allow the downstream steel processing to take advantage of the gradual decarbonisation of liquid steel production. Industrial development of the **alkaline electrolysis for iron oxides**, which will cover a range of different technological developments, such as the grinding and leaching of ores and the valorisation of non-conventional feedstock.

3.2.2. Specific Objective 2. Fostering smart carbon usage (SCU – Carbon capture) technologies in steelmaking routes at a demonstration scale, thus cutting CO_2 emissions from burning fossil fuels (e.g. coal) in the existing steel production routes

The SCU pathway entails two groups of technologies and business processes:

- CCUS, which is dealt with under this first specific objective.
- PI with reduced use of carbon, which is more closely related to the Specific Objective 3.

Fostering SCU technologies will decrease the use of fossil carbon in steelmaking and optimise capturing and utilising the CO_2 and CO that is generated in the production process. The two main impacts of achieving this objective will be a significant contribution to the **CO_2 reduction** targets and more **resource efficiency**. Concerning Specific Objective 3, the main target is to integrate these CCUS technologies into the specific steelmaking processes. This should lead to CO_2 becoming more and more a resource rather than a cost.[50] These impacts will be achieved through fostering a range of different technologies with distinct mitigation and resource efficiency potential, such as:

- **CO_2 capture processes**, which can be done at different sub-process stages. For instance, pre-combustion capture is mostly done via physical absorption, while post-combustion capture via chemical absorption. The mitigation potential of CO_2 capture processes in the short- to mid-term is up to 90% for the respective sub-processes.[51]
- **Biological and chemical processes** can be utilised to precondition the process gases from integrated steel plants for the production of fuels like ethanol or methanol or base chemicals such as formic acid. A concrete example would be the Steelanol project, that is expected to produce around 80 million litres of bio-ethanol per year from steel plant process gases. The impact of biological and chemical processes on CO_2 reduction can reach up to 63% reduced emissions from process gases in the short- to mid-term.[52]
- Utilising **non-fossil carbon** in the steelmaking process. This is building upon the full internal valorisation of steel plant gases and other residues as new feedstock, including biomass, for the production process.

[49] Gerald Stubbe, VDEh-Betriebsforschungsinstitut GmbH (2020), LowCarbonFuture Final Webinar 24.03.2020: Results – Pathway "Carbon Direct Avoidance".
[50] Institute for European Studies (IES) (2018), Industrial Value Chain: A Bridge Towards a Carbon Neutral Europe, p. 10.
[51] Gerald Stubbe, VDEh-Betriebsforschungsinstitut GmbH (2020), LowCarbonFuture Final Webinar 24.03.2020: Results – Pathway "Carbon capture and usage (CCU)".
[52] Ibid.

At least in the short run carbon remains structurally important as a reducing agent in steelmaking, but the capturing and reintroducing will increase resource efficiency and reduce the carbon footprint in the short-term before technological breakthroughs are deployed at industrial level.

3.2.3. Specific Objective 3. Developing deployable technologies to improve energy and resource efficiency (SCU - Process Integration)

Steelmaking is still a fossil fuel-based production process in many cases and the complete non-usage of coal does not appear as a realistic option for the time being. However, PI will modify current production routes to make intelligent use of fossil fuels and process gases, thereby contributing to the steel industry becoming at least climate neutral. This pathway entails a range of different possible modifications to existing processes, but largely centred around reducing energy needs, switching to cleaner energy sources, and avoiding the release of CO_2.[53]

Achieving the objective of optimised process integration will positively impact **resource efficiency** and has many links to CE,[54] as it focuses on the recycling or further processing of internally produced gases and other steel residues. Additionally, process integration leads to a **reduction of CO_2** in itself and, with synergetic reduction effects when used jointly with SCU-CCUS. Two exemplary projects are the following:

- Enhance resource efficiency by optimised processes relying on the **increased use of pre-reduced iron carrier**. This entails improved cleaning actions to provide cleaner scrap for the production process and the integration of DRI, for example thanks to H_2, as outlined under specific objective 2 above.
- **TGR-BF** is a project combining some of these options by optimising the BF usage by utilising top gas recycling. The project in itself has a CO_2 mitigation potential of 20-25% for the producing plant.[55]
- **HISARNA** is an alternative steelmaking process using fine coals and fine ores without any preparation, eliminating the ore agglomeration and coking steps. HISARNA shows the potential to mitigate CO_2 emissions by 15-20% for its steelmaking process.[56]

3.2.4. Specific Objective 4. Increasing the recycling of steel scrap and residues, thus improving smart resources usage and further supporting a circular economy model in the EU

To achieve the EU climate targets, CE is a key concept to be exploited. The EU has acknowledged its important role by launching a 'Circular Economy Action Plan' within the framework of the European Green Deal.[57] The main target is to extract less raw materials, recycle and recover more existing materials, thereby contributing to the reduction of CO_2 emissions. The Clean Steel Partnership will have a significant impact on **resource efficiency** if it achieves a higher level of CE. Due to its characteristics (i.e. permanent

[53] Borlee, Jean & Pierret, Jean-Christophe (2020), LowCarbonFuture Final Webinar 24.03.2020: Results – Pathway "Process Integration (PI)" (CRM).
[54] Ibid.
[55] Ibid.
[56] Ibid.
[57] European Commission (2020), Circular Economy Action Plan: For a cleaner and more competitive Europe.

material, reusable and endlessly recyclable, residues as a valuable resource), steel is highly suitable to contribute to those objectives.

The impacts will manifest through enhanced recycling of steel and by further utilising its production residues. By doing so, less natural resources, raw materials, and energy input will be required, creating up to **50% CO_2 savings** in the steelmaking process.[58] There are a few illustrative examples to show the impacts of achieving the objective.

- Enhanced **utilisation of scrap**, through improved scrap sorting and removal of scrap pollution, thanks to new detecting technologies.[59]
- **Adjustment and processing of residuals** (e.g. EAF and BOF slag, scale, electric-arc furnace dust, etc.) to make it usable in steel products (e.g. internal reuse substituting lime with Ladle Furnace slag) and to be suitable for construction and other resource-saving applications, and to provide for heat recovery.
- Usage of waste heat to support CE. For example, **EAF gas or surplus BOF gas** could be used as fuel in the scrap preheating process, with an overall impact of (average) reduction of 0.1 tonne CO_2/tonne of final steel product. Another example would be heat recovery from slag.

3.2.5. Specific Objective 5. Demonstrating clean steel breakthrough technologies contributing to climate-neutral steelmaking

The outlined impacts of the first four specific objectives demonstrate that the technological pathways and CE approach have a significant impact potential to reach the reduction of emissions and resource efficiency. Nonetheless, a large enough impact to achieve the ambitious **CO_2 reduction** targets will only be manageable by combining two or more technologies and areas of intervention. Demonstrating synergies of the different technologies will achieve the general objective of developing technologies at TRL8 to reduce CO_2 emissions by up to 95% by 2050 compared to 1990. Attaining this target will be done step by step. First, by demonstrating clean steel breakthrough technologies by 2030 that enable at least a 50% reduction in GHG emission compared to 1990 levels for similar plants; and then by achieving TRL 8 by 2030 in most of the technology building blocks funded by the Clean Steel Partnership.

One example of a combination of technological pathways is integrating water electrolysis in steel plants to produce H_2 and O_2. Green H_2 and O_2 supplies are necessary for all technological pathways: process integration for H_2 injection into BFs; CCUS as H_2 is needed for most CO_2 valorisation processes; and CDA because H_2 can be for example used as reduction agent; O_2 is necessary for BOF and EAF steelmaking.

3.2.6. Specific Objective 6. Strengthening the global competitiveness of the EU steel industry in line with the EU industrial strategy for steel

The Clean Steel Partnership can significantly improve the **competitiveness** of the EU steel sector, in line with the EU industrial strategy for steel, by exploiting arising business opportunities and making the steel industry more profitable. This impact will manifest because the Partnership enables sustainable growth in the steel sector and puts the industry in a position to become a global leader in low-carbon steelmaking.

[58] https://www.stahl-online.de//wp-content/uploads/2013/09/20120621_Bericht_Multi-Recycling-Ansatz_Stahl-final.pdf

[59] Cirilli, Filippo (2020), Exploitation of projects for Low-Carbon future steel (LowCarbonFuture). RFCS Accompanying Measure: CO_2 mitigation and circular economy.

The following are two examples of how achieving this objective will impact the steel sector's competitiveness:

- **New or enhanced markets and value chains** will arise. First and foremost, the Partnership, together with a number of supportive regulatory and market mechanisms, will spur the emergence of a market for clean steel. This will increase the demand for low-carbon steel products that can be produced via the technologies developed under the Partnership, especially from sectors which are set to grow in the future (e.g. for renewable energy technologies). Furthermore, other markets are likely to emerge from the technological solutions deployed, such as the market for carbon feedstocks, which can be supplied from steel makers to the chemical industry.
- There will be increasing demand for **know-how and innovative concepts**. The EU steel industry is already a world leader in the highly technologically specialised product segment.[60] Further developing R&D&I in clean steelmaking will secure their competitive advantage. This would benefit more technologically advanced EU plant builders, which could see their global market share increase.

Strengthening the competitiveness of the steel industry will also entail considerable impacts on **jobs and skills**. The development and operation of new technologies will require dedicated training of the workforce to acquire new skills. For instance, the injection of H_2, hot gas in the blast furnace and plasma technology involves new safety issues that will require the right skills to ensure a safe production process and the automatised integration of those gases into the BF control systems. Overall, the transformation of the steel industry will demand a highly skilled workforce, but in return, the sector will also provide employment opportunities for well-trained and well-paid workforce. The need for low-carbon steel and the related skills in other areas of industrial value chains will ensure that the steel sector will continue to support a high level of quality employment directly and indirectly. Furthermore, the increased use and recycling of residues of the steelmaking process is expected to create further jobs linked to the CE approach.

Finally, the partnership will impact the **R&D&I collaboration** between EU companies, as the projects shall bring all EU steel producers together in a collaborative manner to carry out the relevant aspects of the technological pathways. The projects will facilitate information exchange and the development of sustainable solutions. Concretely, the collaboration will manifest for example in the formation of multi-partner consortia for large scale demonstration at TRL 8, which will build upon results on finished and on-going multi-partner projects at TRL 7 and 8. This collaboration will result in the launch of projects leading to the deployment of the concerned technologies in an industrial installation or a serious of modules comprising an industrial installation (at one or more locations). The investment of such larger-scale industrial demonstrators should be aligned with public support.

[60] European Commission (2017), Steel: Preserving sustainable jobs and growth in Europe' (COM(2016)155, Available at: eesc.europa.eu/en/our-work/opinions-information-reports/opinions/steel-preserving-sustainable-jobs-and-growth-europe

3.3. EU added value and additionality of the Partnership

Following the analysis of the expected impacts carried out above, in this section, three related aspects are assessed. First, the **EU added value**, i.e. the additional impacts which can be generated since this action is taken co-ordinately at EU level. Then, other forms of additionality are explored, i.e. that originating from **synergies with other Partnerships** and research programmes, and the **spill-overs** in other value chains and industries.

3.3.1. <u>EU added value</u>

There is significant EU added value in the Clean Steel Partnership as a new coordinated framework for the path towards a modern and sustainable steel industry. In this context, the Clean Steel Partnership will ensure a strong commitment from all actors of the steel value chain – steelmakers, plaint builders, Member States – towards decarbonisation, thus leading to a **higher degree of additionality** compared to research activities funded by the Horizon Europe Programme. The reasons for such EU added value can be described as follows:

i. The Partnership is a **coordinated approach** across stakeholders, technologies, production routes, and Member States, ensuring effective **removal of systemic bottlenecks** preventing breakthrough technologies from being realised. The steel production in the EU is spread across numerous Member States and production technologies can vary from plant to plant. Therefore, there is no 'one-size-fits-all' solution and a variety of new technologies (and a combination thereof) need to be simultaneously deployed in different EU production sites. EU added value is thus generated by such the holistic approach of the Partnership, which can (i) maximise synergies and avoid duplications of efforts, (ii) cover different technological solutions while stimulating healthy competition among them, (iii) share risks among public and private actors, and (iv) ensure a critical investment mass to decarbonise the steel industry in a timely fashion.

ii. As described more in details in Section 3.1 above, the Clean Steel Partnership fosters the steps necessary to go from piloting to commercial deployment of new technologies and thus **leverages major private investments**, thereby helping to **remove R&D&I bottlenecks**. Due to the high costs of developing and testing technologies in a competitive global steel market, there is a danger of low-cost steel being favoured and of 'carbon leakage' occurring. Hence, the EU added value is realised through reducing risks and catalysing further investment to decarbonise the steel sector, while creating market opportunities and standards for clean steel.

iii. The Partnership is accompanied by the present Roadmap, thus securing **a timely and well-planned intervention** to decarbonise the steel industry. This will allow additional early achievements in terms of CO_2 reduction.

iv. The clear planning ahead also promotes a clear **commitment from partners to progressively phase out** from public support for R&D&I, ensuring that the Clean Steel Partnership results in additional, market-based, deployment of the technologies developed with its support.

3.3.2. <u>Further additionality and collaboration with other partnerships</u>

Further additionality of the Clean Steel Partnership is envisaged to be realised through high **openness and transparency**, seeking to attract **all relevant stakeholders** to participate in the wider framework. This shall be done via different measures, such as yearly workshops, a dedicated online presence, and thematic and networking events. Thereby, the Partnership will achieve visibility within the steel sector and beyond and advertise the activities that are being carried out, to ensure broad and representative participation of players of the EU steel value chain and those connected to it.

The Partnership's openness and transparency can thus generate additionality **by cross-fertilising both suppliers and customers**. The positive spill-overs on suppliers will consist in them having more incentives to further develop research in green energy, efficient production systems, and hydrogen technologies. For customers, the steel R&D&I investment will lead to the production of a cleaner high-quality steel, which in turn will stimulate further research on products with lower lifecycle impacts. Moreover, the Clean Steel Partnership will not only create synergies among technology domains, but also collaboration across Member States and Associated Countries to develop breakthrough technologies.

For the Partnership to foster such additionality, it will **collaborate with other Partnerships and programmes**, for example:

- The proposed Partnership " "**Processes4Planet"**, aiming to transform European process industries to (i) make them climate neutral by 2050, (ii) turn them into circular industries together with material and recycling industries, and (iii) enhance their technological leadership at the global level and international competitiveness. The Clean Steel Partnership and Processes4Planet have been working closely to align R&D objectives and plans.
- The proposed partnership "**Clean Hydrogen**", setting the objectives to accelerate the market entry of nearly-zero GHG-emission hydrogen-based technologies across energy, transport, and industrial end-users. There is a strong link between Clean Hydrogen and Clean Steel, as H_2 is one of the most effective solutions to substitute carbon-based energy resources in steelmaking, particularly if the hydrogen is produced from renewable energy sources.[61]
- The proposed partnership "**Built Environment and Construction**", focusing on technological and socio-economic breakthroughs for an improved built environment to support the achievement of EU 2050 decarbonisation goals and the transition to clean energy and CE, while improving social wellbeing, mobility and competitiveness. As construction is the biggest steel-using industries, increased demand for high-quality and low-carbon building materials will provide additional incentives for the R&D&I efforts of the steel industry in these respects.
- The proposed Partnership "**Made in Europe**" which sets objectives to achieve a competitive discrete manufacturing industry with a world-leading reduction of the environmental footprint whilst guaranteeing the highest level of well-being for workers, consumers, and society. The achievements of CO_2 reduction and circularity in the steel industry will have a multiplier effect down the manufacturing chain. Therefore, dialogue and collaboration with the "Made in Europe" partnership can maximise the value creation for society and respond to the customers demand for customised products with a lower impact on the environment.
- The Clean Steel Partnership will be able to contribute to the following R&D&I **Missions of the Horizon Europe** programme:
  - Mission on climate-neutral and smart cities;
  - Mission on soil health and food;
  - Mission on adaptation to climate change including social transformation.

[61]For further details see: fch.europa.eu/sites/default/files/FCH%202%20JE%20Annual%20Work%20Plan%20and%20Budget%202019%20%28ID%205167414%29.pdf, p.36

- On a more general note, the Clean Steel Partnership falls under the **Pillar II "Global Challenges and European Industrial Competitiveness"** of the Horizon Europe Programme. It is particularly linked to the following Clusters:
    - **Cluster 4 - Digital, Industry and Space**. The Cluster aims to achieve three main objectives, which are (i) ensuring the competitive edge and autonomy of EU industry, (ii) fostering climate-neutral, circular, and clean industry, and (iii) bringing a major contribution to inclusiveness. R&I, as well as technology demonstration under the Clean Steel Partnership will contribute largely to these objectives.
    - **Cluster 5 - Climate, Energy and Mobility**. The main objectives of this cluster are to fight climate change, improve the competitiveness of the energy and transport industry as well as the quality of the services that these sectors bring to society. Reduction of GHG in the steelmaking process, including through energy efficiency and the use of renewable energy, is remarkably connected to the objectives of this Cluster. In addition, the energy-intensive industrial facilities of the steel industry can play an important role in balancing the over/underproduction of renewable energy: therefore, the steel industry can be an important interlocutor for balancing and stabilising the electrical grid in Europe.

3.3.3. Spill-overs in the value chain and other industries

As discussed in Chapter 1 above, steel is a key material in many other industries by being used in the value chain of sectors like construction, automotive, mechanical engineering, energy generation and networks, mobility, or defence. Thereby, producing clean steel will enable **spill-overs within these value chains**, both via clean steel as an input and by trickling know-how down the value chain. In addition, the Partnership will allow the steel industry to become a first mover in the development and deployment of new technologies **among energy-intensive sectors** in the EU. Table 17 demonstrates how the underlying technologies of energy-intensive industries have reasonable commonalities. This would allow for breakthrough technologies to spill over to other industries.

Table 17: Decarbonisation potential – Cross-sectoral comparison of energy-intensive industries

	Electrification (heat and mechanical)	Electrification (processes: electrolysis/ Electrochemistry excl. H2)	Hydrogen (heat and/or process)	CCU	Biomass (heat and feedstock)/ biofuels	CCS	Other (including process integration)
Steel	**xxx**	xx	xxx	xxx	x	xxx	Avoidance of intermediate process steps and recycling of process gases: xxx Recycling high quality steel: xxx
Chemicals fertilizers	xxx	xxx	xxx	xxx	xxx	xxx(*)	Use of waste streams (chemical recycling): xxx
Cement Lime	xx (cement) x (lime)	o (cement) o (lime)	x (cement) x (lime)	xxx (cement and lime)	**xxx** (cement) x (lime)	xxx (cement and lime)	Alternative binders (cement): xxx Efficient use of cement in concrete by improving concrete mix design: xxx Use of waste streams (cement): **xxx**
Refining	xx	o	xxx	xxx	xxx	xxx	Efficiency: **xxx**
Ceramics	xxx	o	xx	x	x	o	Efficiency: **xxx**
Paper	xx	o	o	o	**xxx**	o	Efficiency: **xxx**
Glass	xxx	o	x	o	xxx	o	Higher glass recycling: xx
Non-ferrous metals/alloys	**xxx**	**xxx**	x	x	xxx	x	Efficiency: **xxx** Recycling high quality non-ferrous: xxx Inert anodes: xxx

o: Limited or no significant application foreseen
x: Possible application but not main route or wide scale application
xx: medium potential
xxx: high potential
***xxx**: Sector already applies technology on large scale (can be expanded in some cases)*
(*) in particular for ammonia and ethylene oxide[116]

Source: VUB study, Sep 2018.

3.4. Monitoring and assessing progress

The specific and operational objectives of the Clean Steel partnership have been set (see Chapter 1) in line with the general objective to develop technologies to reduce CO_2 emissions by the steel industry. To monitor and assess the progress that will be achieved, a range of **Key Performance Indicators** (KPIs) has been developed. Each KPI is linked to an operational objective, and each operational objective can be monitored by one or more KPI.

To allow a quantitative evaluation, each KPIs is accompanied by two **targets**, one to be achieved by 2024 (mid-term evaluation) and one by 2030 (project completion). While the Horizon Europe programme runs from 2021 to 2027, the assessment of the extent to which the Partnership met is objective should be done at least 3 years thereafter, to account for the completion of the projects launched and financed in the last years of the programme. Table 18 overleaf displays the KPIs and targets assigned to the respective operational and specific objectives.

The KPIs measure progress in terms of the concrete changes to the production processes and inputs that the Partnership is expected to trigger. Therefore, to assess whether the individual objectives are on path to being realised, the deployment and the TRL of the developed technology is the most important indicator, which in turn can be used to measure whether the innovations introduced produced their impacts in terms of e.g. reduced resource usage or improvement in emission efficiency. From the perspective of monitoring and evaluating the Partnership, this is considered the soundest methodology as it will allow measuring whether the Partnership is effective in delivering on their direct outputs and outcomes. Importantly, once those outputs and outcomes in terms of TRLs and input and process efficiency are achieved, steel companies and the whole industry will be in a position to generate the impacts described in the Section above, thus achieving the general objective of the Partnership in terms of reduced CO_2 emissions.

Technologies deployed to decarbonise the steel industry will contribute to protecting the health of EU citizens and ecosystems in line with the European Green Deal, both directly (by reducing CO_2 emissions) and indirectly (by reducing other types of industrial emissions to air, soil and water). In this context, ad hoc indicators will be used to monitor and reduce the impact of projects funded by the Clean Steel Partnership on industrial emissions other than CO_2. These will be integrated into a semi-quantitative indicator expressing the potential contribution of the project towards the zero-pollution ambition for a toxic-free environment, as expressed in the European Green Deal communication.

Table 18: KPIs and Targets by 2024 & 2030 for the respective operational and specific objective[62]

Operational objectives	KPIs	Target 2024	Target 2030
Specific objective 1: Enabling steel production through carbon direct avoidance (CDA) technologies			
Replacing carbon by renewable energy	Decrease of scope I and II CO_2 emissions proven at a demonstration scale	TRL6: > 35% CO_2 reduction compared with reference operation	TRL8 > 40% CO_2 reduction compared with reference operation at TRL 6
Development of H_2-based reduction and/or melting processes	• Reduction degree of iron oxides • Replacement rate of fossil carbon by hydrogen injection • Replacement rate of natural gas by H_2 in the feed of the direct reduction plant	• TRL6: > 80 % reduction degree of iron oxides. • TRL6: > 10 % replacement rate of fossil carbon at the injection point • TRL 6: > 70 volume-%	• TRL8: > 90 % reduction degree of iron oxides • TRL8: > 10 % replacement rate of fossil carbon at the injection point • TRL8: > 50 volume-%
Electrolytic reduction	Electric efficiency of the electrolytic cell	TRL6: > 80% electric efficiency	TRL8: > 85% electric efficiency
Specific objective 2: Fostering SCU technologies in steelmaking routes			
Improving process integration with reduced use of carbon (e.g. gas injection in BF) upstream + downstream	Decrease of process-related CO_2 emissions proven	TRL6: > 20 % reduction compared with reference operation	TRL8: > 25 % reduction compared with reference operation
Increasing the use of non-fossil carbon	Share of non-fossil carbon proven in reducing and/or melting process	TRL6: > 15 % of non-fossil fuels/ reducing agent	TRL8: > 20 % of non-fossil fuels/ reducing agent
Capturing CO_2 for CCU and/or CCS	CO_2 capture rate from process/off-gases	TRL6: more than 90 % from the dedicated gas stream	TRL8: > 95 % from dedicates gas stream
Conditioning of metallurgical gases (containing CO_2, CO, CH_4, etc.) to meet specifications to finally produce chemical feedstock/alternative fuels[63]	Share of the carbon content of the process gas (CO_2/CO) provided to be transformed into products	TRL 6: more than 50 % of C	TRL 8: more than 65 % of C

[62] *Source: Author's elaboration on consultation with ESTEP members.*
[63] The "**U**se"-part of this CC**U** approach is foreseen to be supported by the Processes4Planet partnership.

Operational objectives	KPIs	Target 2024	Target 2030
Specific objective 3: Developing deployable technologies to improve energy and resource efficiency (SCU Process Integration)			
Increasing the use of pre-reduced iron carriers	Share of pre-reduced iron carriers out of total Fe carriers	TRL7: > 20 % pre-reduced Fe carriers in iron and steelmaking process	TRL8: > 20 % pre-reduced Fe carriers in iron and steelmaking process
Developing technologies to reduce the energy required to produce steel	Decrease the use of energy per tonne of steel for clean steel making	TRL7: > 5 % specific energy consumption reduction for a dedicated process	TRL8: > 10 % specific energy consumption reduction for a dedicated process
Specific objective 4: Increasing the recycling of steel scrap and residues to increase smart resources usage and further support a circular economy model in the EU			
Enhancing the recycling and re-use of industrial residues of the steel production process	Re-use and recycling of solid residues co-generated during the steel production process and reduction of their landfilling rate	TRL6: internal and external recycling and re-use rate > 85 *% (in total)*	TRL8: internal and external recycling and re-use rate > 85 *% (in total)*
Enhancing the recycling of steel scrap	Scrap pre-treatment and cleaning technologies and scrap yard management procedures and techniques for: • Progressively increasing the uptake of low-quality scrap grades (post-consumer) into high-quality steel-grades • Progressively replace the use of pre-consumers grades with post-consumer grades • Progressively replace the use of solid pig iron with post-consumer grades	TRL6: Low-quality scrap input share over the total scrap input increased by at least 25% or more compared to the usual practice for a specific steel quality	TRL8: Low-quality scrap input share over the total scrap input increased by at least 50% or more compared to the usual practice for a specific steel quality

Operational objectives	KPIs	Target 2024	Target 2030
Specific objective 5: Demonstrating clean steel breakthrough technologies contributing to climate-neutral steelmaking			
Achieving TRL 8 by 2030 in most of the technology building blocks funded by the Partnership	Percentage of projects that reach high TRL	Share of projects with TRL7 validated in CSP: >50%	Share of projects with TRL7 in CSP: >85% Share of projects with TRL8 in CSP: >75%
Demonstrating clean steel breakthrough technologies by 2030 that enable at least a reduction in GHG emission compared to 1990 levels for similar plants	Number of demonstration projects	TRL6: 5 projects > 50% CO_2 reduction compared with reference operation	TRL8: 2 projects > 80% CO_2 reduction compared with reference operation
Specific objective 6: Strengthening the global competitiveness of the EU steel industry			
Creating a new market for 'clean steel' products[64]	% of clean steel out of total EU steel demand	Accepted definition of clean steel and its products	Start of the roll-out of clean steel and its products
Contributing to the EU's efforts towards ensuring growth and jobs with long-term stability	• GVA generated by the steel industry and key steel-supplied value chains	• Increase GVA by 1% compared to 2020 (target needs to be revised after COVID19)	• Increase GVA by 2% compared to 2020 (target needs to be revised after COVID19)
Establishing the EU steel industry as a leader in low-carbon steel and ensuring standardisation and global market uptake of successful technologies developed in the EU	Global market share of EU technology providers	+5% in global market share of EU technology providers EU technology providers are already market leaders 1% is nothing.	+10% in global market share of EU technology providers

[64] The creation of a new market for 'clean steel' products would benefit from the creation of a labelling/certification scheme for clean steel based on a life-cycle assessment approach. This initiative may be initiated by ESTEP and EUROFER to complement and further support the Clean Steel Partnership activities.

Fostering R&D collaboration between EU companies and science in the clean steel value chains	• Number of visiting periods of external researchers working on projects funded by the Partnership • Number of calls in collaboration with other Partnerships	> 5 external research stays in each technology field (CDA, PI, CCU, CE) >= 2 linked or joined calls	> 10 visiting periods (CDA, SCU, CE) > =5 linked or joined calls
Upskilling steel workforce	Number of supporting dedicated programmes (EU, national), with which the Partnership operates in synergy	>= 1 dedicated supporting programme	>= 3 dedicated supporting programmes

Chapter 4: Governance

Summary

Governance model

- The Clean Steel Partnership will be established between the European Commission and the European Steel Technology Platform (ESTEP).
- Most of ESTEP members will be the initial members of the Clean Steel Partnership.
- The Partnership is open to the entire EU steel value chain community and Horizon Europe Associated Countries.
- The 'Partnership Board' (including representatives from both the public and private side) discuss and approve the periodic Work Programmes and ensure compliance with the vision, ambition, objectives, and research programme laid down in the multiannual Roadmap.
- The 'Implementation Group' is the general assembly of the Partnership. It discusses the technical needs and research progress, identify the R&D&I needs, discuss and propose the Work Programmes to the 'Partnership Board', coordinate revisions to the Roadmap, and share conclusions with Task Forces.
- The 'Task Forces' define future short- to mid-term R&D&I needs related to the different technological pathways and propose the content of the periodic Work Programmes to the Implementation Group.
- The 'Programme Office' supports coordination and communication activities, measures and reports on KPIs, organises events and promotes the Partnership.
- The 'Implementation Group' will be supported by two external bodies:
  - The 'Expert Advisory Group' advises on improvements on the current research development.
  - The 'Stakeholder Forum' provides feedback on potential revisions to the multiannual Roadmap and on the social and environmental impacts of activities under the Partnership.

Openness and transparency

- The decarbonisation of the steel industry requires a coordinated approach across all countries, technologies, and steel plants. Therefore, the impact of the Partnership will be maximised by involving all relevant stakeholders and remaining open to new partners.
- ESTEP and the Clean Steel Partnership are open to the entire European steel value chain community, i.e. to all EU based steel stakeholders comprising steel producers, steel processors, customers, suppliers, plant builders, research and academia, and civil society representatives.
- The Clean Steel Partnership will launch a dedicated website where the multiannual Roadmap and periodic Work Programmes, as well as non-confidential information about ongoing and finished projects, will be published.
- Rules and information on how to join the Clean Steel Partnership will be published on the dedicated website and circulated through the Partnership mailing list. Ad hoc membership campaign may be implemented, based on needs for specific project partners emerging from any update to this multiannual Roadmap. To maximise participation from entities other than steelmakers and technology providers, a special 'partnership fee' will be applied to specific categories of participants such as governmental and non-governmental organisations and research institutes

4.1. Governance model

The Clean Steel Partnership will be established between the **European Commission** (public side) and the **European Steel Technology Platform (ESTEP)** on behalf of the entire European steel value chain community (private side). ESTEP is a membership-based organisation, established as an international non-profit association under Belgian law (AiSBL), with the role of representing its members concerning R&I strategies defined within its statutes.[65]

ESTEP and the Clean Steel Partnership are **open to the entire European steel value chain community**, i.e. to all EU based steel stakeholders comprising steel producers, steel processors, customers, suppliers, plant builders, research and academia, and civil society representatives. The Clean Steel Partnership will also be open to actors from Horizon Europe Associated Countries.[66] Any relevant stakeholder may participate in the Partnership by submitting an application form and paying a 'partnership fee', collected by ESTEP. Upon approval of the Implementation Group (see below for further details), certain categories of stakeholders, such as representatives of national and regional authorities, civil society and reputable professionals may also participate in the Partnership as **observers**.[67] Membership in the Partnership does not automatically imply membership in ESTEP, and *vice versa*.[68]

The Clean Steel Partnership will benefit from **synergies of funds from two European research programmes**: Horizon Europe and the Research Fund for Coal and Steel.[69] Both programmes will coordinate efforts to achieve greater impact and efficiency. The ideal setting would feature a single funding mechanism (one stop shop). The research activities will be aligned with Horizon Europe Work Programme activities and with the objectives of the Research Fund for Coal and Steel.

- If a one stop shop cannot be realised, the Partnership may establish a governance structure to manage the implementation of the research activities under Horizon Europe and the Research Fund of Coal and Steel under differentiated and complementary calls.
- Each research programme (Horizon Europe and the Research Fund of Coal and Steel) will be bound by the obligation to inform the respective Programme Committee (Horizon Europe Programme Committee and COSCO, respectively) of the overall progress of the implementation of the actions of the specific programme.
- The Governance structure will take into consideration the legal basis for the implementation of the respective programmes, in particular as regards countries participating in the programmes, timing for alignment in calls for proposals and information to the European Commission and the respective Committees. The structure will aim at simplifying the procedures as much as possible.

[65] For further details see: estep.eu

[66] Their participation in Calls for Proposals funded via the Research Fund for Coal and Steel programme may be, however, limited by the relevant eligibility criteria.

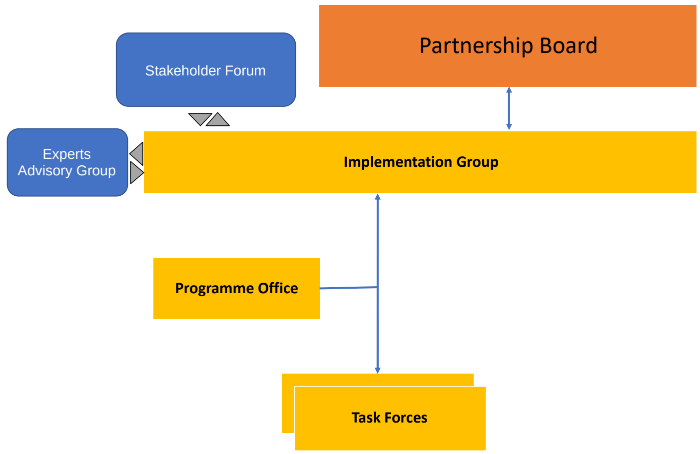
[67] Observers will be invited to selected meetings of the Partnership only and will have the opportunity to review and provide comments on the draft multiannual Roadmap upon decision in the Implementation Group.

[68] The fact that ESTEP may nevertheless act on behalf of the members of the Partnership without them already being ESTEP members will be clarified in the statutes of ESTEP.

[69] Subject to the approval of the ongoing proposal for modification of RFCS Legal basis, establishing the rules of the research activities, part of the Research Programme may be implemented through co-programmed European Partnerships established in accordance with the rules set out in [Article 8 and Annex III to the Horizon Europe Regulation].

The structure of the Governance is summarised in Figure 23**Error! Reference source not found.**.

Figure 23: Governance structure of the Clean Steel Partnership



Source: Authors' own elaboration.

4.1.1 <u>Partnership Board</u>

The Clean Steel Partnership will be centred around the so-called '**Partnership Board**' (or 'the Board'). It will, among others, discuss and approve the periodic Work Programmes and ensure compliance with the vision, ambition, objectives and research programme laid down in the multiannual Roadmap, which will guide the work and decisions of the Board. The Board will consist of a public component, i.e. representatives of the European Commission services, and a private component, i.e. representatives of the Partnership members.

- On the **public side**, DG R&I, DG ENER, DG GROW, DG CLIMA, DG ENV and the Research Fund for Coal and Steel may be involved, thus fostering coherence and synergies with the EU R&I landscape relevant to the Partnership. The Commission will decide, however, on the final composition of the public side of the Board.
- On the **private side**, Board members will be proposed by ESTEP and appointed by the European Commission. Board members will be selected among the members of the so-called 'Implementation Group' (see below) in order to ensure **balanced representation of the different EU steel production routes and adequate experience of the relevant decarbonisation challenges** affecting the EU steel industry. The private component of the Partnership Board will present and discuss with the public component of the Board: (i) the decisions made by the Implementation Group with public members of the Board, such as the technical needs for the Partnership (which may evolve over time) and proposals for the Work Programme; (ii) the research progress of the Partnership demonstrating the progress of R&I activities and their alignment with mid- and long-term objectives of Clean Steel Partnership. The private side of the Board will also collect and report to the Implementation Group all feedback and suggestions put forward by the public side of the Board. Ideally, decisions in the Partnership Board, including those on the periodic Work Programmes, should be **based on consensus**.

4.1.2 Implementation Group

The **Implementation Group** is the general assembly of the Clean Steel Partnership, including all paying members. The voting rights of members will be decided at a later stage, by taking into account *inter alia* possible discounts on the partnership fee for specific categories of members, as further discussed in Section 3.4. Based on inputs from the Task Forces (see below) and after consulting the Stakeholder Forum and (where needed) the Experts Advisory Group (see below), the Implementation Group will:

- Discuss the technical needs and research progress of the Partnership by periodically analysing progress in R&D&I activities and their alignment with mid- and long-term objectives;[70]
- Share conclusions with specific Task Forces;
- Identify on yearly basis the overall R&D&I needs of the evolving Clean Steel Partnership to be shared with the public side of the Partnership Board;
- Discuss on Work Programme proposals coming from the Task Forces in order to balance the interest of the different Partnership members;
- Decide on how the private side of the Partnership Board will propose the content of the periodic Work Programme to the public side of the Board; and
- Discuss and coordinate any revisions needed to the multiannual Roadmap.

Decisions made by the Implementation Group will need to be discussed with the public side of the Partnership and finally approved by the Partnership Board. In case consensus is not reached within the Partnership Board (see above), the Implementation Group will **take into account the feedback and suggestions of the public components of the Board to reconsider its decisions** and contribute to achieve consensus.

4.1.3 Other components of the governance

The work of the Implementation Group will rely, among others, on the inputs of specific '**Task Forces**'. Different Task Forces will be established in order to cover all relevant technological pathways, such as CDA, SCU-carbon capture, SCU-process integration (PI), and circular economy. Based on the periodical assessment of research progress and the multiannual Roadmap, the Task Forces will **define future short- to mid-term R&D&I needs** related to the different pathways. In addition, in order to meet the detected needs, the Task Forces will **propose the content of the periodic Work Programmes**, which will be further discussed and decided upon by the Implementation Group. The Task Forces will include technology experts from organisations that are members of the Partnership as well as external experts, upon approval of the Implementation Group.

To ensure the smooth functioning of the Clean Steel Partnership, a **Programme Office** will be organised by ESTEP. The Programme Office will assist the Partnership when it comes to internal coordination, internal and external communications, support to the bodies of the Partnership, measuring and reporting on KPIs, organisation of events and promotion of the Partnership.

[70] All monitoring activities will be summarised in *ad hoc* 'monitoring reports', which will be reviewed and discussed at fixed intervals by both the Board of ESTEP as well as the Partnership Board.

The work of the Implementation Group will be supported by **two external bodies**, thus ensuring openness as well as the opportunity to rely on expert opinions and views to take key decisions.

- **Expert Advisory Group**. This body is composed of technical experts of steelmaking and related technologies, including, among others, academics and leading researchers not affiliated to organisations which are members of the Partnership. Under a strict confidentiality agreement, the Implementation Group provides information on the current research development and the Experts Advisory Group will advise the Implementation Group on improvements on the current research development.
- **Stakeholder Forum**. This body will include all relevant stakeholders that are not members of the Partnership and may contribute to the successful implementation of the Partnership. The Forum will be opened, among others, to stakeholders representing the civil society as well Member States and regional authorities in order to ensure coherence and synergies with national and regional R&I efforts. Non-technical experts from reputable research institutes may also be included. The Implementation Group will interact with the Stakeholder Forum in order to make sure that the Clean Steel Partnership will generate social and environmental impacts going beyond the steel industry and benefitting the EU as a whole. The Stakeholder Forum will play a central role to provide feedback on potential revisions to the multiannual Roadmap. In fact, to ensure an open and transparent approach, the preparation of the Roadmap (as further discussed in Section 2.2) as well as any major revisions of the document will undergo a public consultation.
- Finally, it is important that the governance structure of the Partnership take into account the **synergies between Horizon Europe and the Research Fund for Coal and Steel**. In this respect, while it is not possible to transfer funds between the two programmes for the time being, the Research Fund for Coal and Steel financing scheme is moving closer to Horizon Europe through potential legal modification. The Partnership will closely follow the European Commission's guidance on harmonisation of these two programmes through e.g. establishing a number of evaluation criteria, technical project meetings and reports, and modifying Memoranda of Understanding with stakeholders to blend funds from different sources, different governance, calls and committees.

4.2. Openness and transparency

The decarbonisation of the steel industry requires a coordinated approach **across all countries, technologies, and steel plants.** In fact, one of the operational objectives of the Clean Steel Partnership is about fostering R&D cooperation between all key actors of the steel value chain. Clean Steel will ensure openness by attracting new partners and players in this ecosystem, in particular **SMEs**, **innovative companies and research institutes.** The impact of the Partnership will be certainly maximised by **involving all relevant stakeholders** and **remaining constantly open to new partners**.

Any relevant stakeholder may participate in the Partnership by submitting an application form (the form will be made publicly available on the Partnership website) and paying a 'partnership fee'. The full list of members will also be published on the website of the Partnership. Membership will be rejected only for exceptional reasons, such as lack of European added value or applications from countries outside the perimeter of the Horizon Europe (or RFCS, depending on the applicable participation rules).

The Partnership will be established between the European Commission (public side of the Partnership) and ESTEP[71] on behalf of the entire European steel value chain community (private side of the Partnership). For further details on participation and governance see Sections 4.1. Most of ESTEP members will be the initial members of the Clean Steel Partnership. ESTEP and the Clean Steel Partnership are open to the entire European steel value chain community, e.g. to all EU based steel stakeholders, comprising steel producers, steel processing companies, customers, suppliers, plant builders, research and academia, and societal representatives.

All members of the Clean Steel Partnership will have **equal access to documents and information produced in the context of the Partnership**. Openness should be the rule, and restriction due to confidentiality should be the exception. However, to comply with EU and national competition law, company data and information necessary to be supplied by organisations that are members of the Partnership for reporting purposes will be handled securely and confidentially and only used for creating and presenting aggregated data and information.

Information on key activities and projects will also be made available to the general public, via a dedicated website and other communication and dissemination tools (see below for further details).

Participation in Call for Proposals will be open, by definition, to both members and non-members of the Clean Steel Partnership, as long as they are eligible under the general conditions laid down in the Horizon Europe Regulation, specific conditions laid down in the Work Programmes and Calls for Proposals, and the RFCS legal framework if applicable.[72]

The Clean Steel Partnership will launch a **dedicated website** where this multiannual Roadmap and periodic Work Programmes, as well as non-confidential information about ongoing and finished projects, will be published. Access to results of specific projects will be granted in line with the general provisions of the Horizon Europe Regulation, the RFCS legal framework (if applicable) and specific provisions set out in the Grant Agreements. The website will have a 'private' section, accessible only to members of the Clean Steel Partnership, where any relevant working document will be made available. Confidentiality needs of Partnership members will be met.

In addition to the website, the Partnership will create dedicated **LinkedIn and Twitter accounts** and a public **mailing list**, where any update published on the public part of the website as well as key consultation activities will be advertised. Any interested stakeholder will be able to follow the social media accounts as well as to register to the mailing list via the dedicated website, free of charge.

Finally, on a yearly basis, the Clean Steel Partnership will arrange a **workshop to present the main activities carried out and seek new partners**. The workshop will be arranged in Brussels or other suitable location. Participation will be open to the public, free of charge, upon registration. Interactive participation from remote will be allowed to overcome barriers linked to travel costs and maximise participation from stakeholders based in other Member States or outside the EU. The Clean Steel

[71] For further details, see: estep.eu
[72] The different requirements between Horizon Europe and other funding schemes are foreseen and should be made clear to candidates when they submit their project proposals.

Partnership may also decide to arrange additional **thematic and networking events**, where participants will be requested to pay a cost price fee.

ESTEP and the European Steel Association (EUROFER)[73] will invite all their members to join the Clean Steel Partnership. This will ensure **broad and representative participation of all the players of the EU steel value chain**, from technology providers to steelmakers and research organisations. EUROFER and ESTEP will ensure adequate information flow on the Partnership across their members, which also include companies operating on a global scale. In addition, to ensure outreach beyond the EU border and participation from Horizon Europe Associated Countries, EUROFER will establish a **formal mechanism of coordination with the Worldsteel Association.** The mechanism will allow sharing basic information regarding the Partnership and relevant projects and outcomes with Worldsteel members (which represent about 85% of the global steel production), while ensuring full protection of confidentiality needs and intellectual property rights of Partnership members and grant beneficiaries.

When it comes to **recruiting new members**, rules and information on how to join the Clean Steel Partnership will be published on the dedicated website and circulated through the Partnership mailing list. *Ad hoc* **membership campaign** may be implemented, based on needs for specific project partners emerging from any update to this multiannual Roadmap. New members will be accepted on an ongoing basis. To maximise participation from entities other than steelmakers and technology providers, **a special 'partnership fee' will be applied to specific categories of participants** such as governmental and non-governmental organisations and research institutes. These categories of participants may also decide to join the Clean Steel Partnership, free of charge, as **observers**, upon approval of the Implementation Group.[74]

[73] For further details, see: eurofer.be

[74] Observers will be invited to selected meetings of the Partnership and will have the opportunity to review and provide comments on the draft multiannual Roadmap.

ANNEX I: Synopsis report of the public consultation

TBD