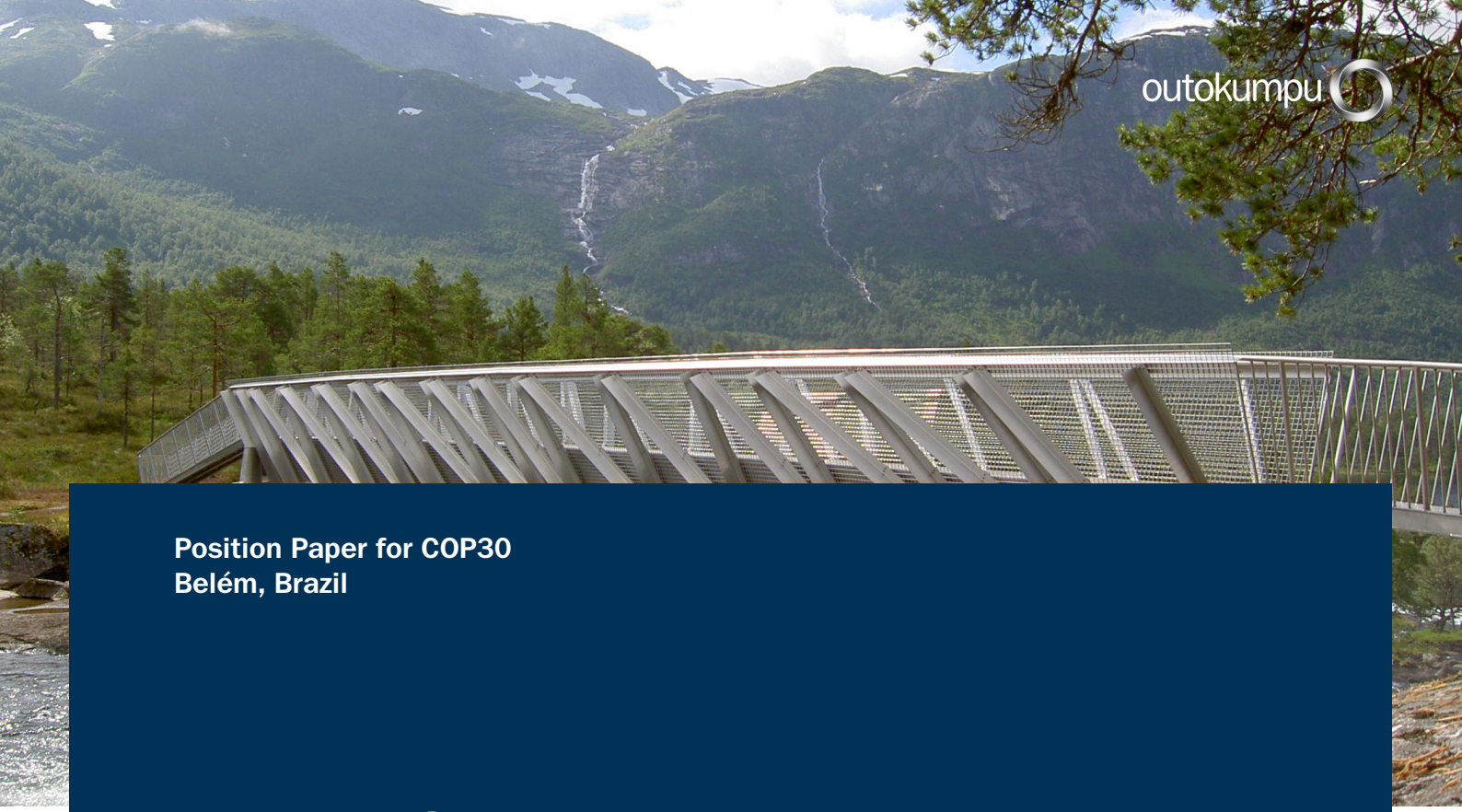


Position Paper for COP30
Belém, Brazil

# INDUSTRIAL EVOLUTION FOR CLIMATE LEADERSHIP

**Europe's steel industry stands at a historic crossroads. In a context characterized by uncertainty, global overcapacity of steel, and the acceleration of the climate crisis, Europe must act – not only to meet its climate goals, but to defend its strategic autonomy and industrial competitiveness.**

**As the global leader in sustainable stainless steel, Outokumpu joins COP30 with a clear mission: to accelerate industrial decarbonization through circularity, strategic partnerships and regulatory ambition. We advocate for Europe to seize this opportunity – because clean steel is not just a climate imperative. It is the backbone of Europe's sovereignty, prosperity and global relevance.**

While steel accounts for around 10% of global greenhouse gas emissions, steel has also shaped prosperity and strategic autonomy for decades. It is essential to infrastructure, defense, transport and clean energy systems. The science-based EU 2040 climate target of 90% must be unchanging to provide the predictability to guide industrial transition while at the same time, ensuring a level playing field and fair pricing on carbon emissions across markets. Outokumpu therefore calls for urgent adoption and swift implementation of the proposed new trade protection measures for the European steel industry – ideally before the current safeguards expire in June 2026 – to maintain industrial competitiveness, support the EU Green Deal objectives, and secure Europe's strategic autonomy.

## Driving decarbonization through global carbon pricing

Outokumpu advocates for ambitious and globally coordinated carbon pricing as a cornerstone of climate policy. We support mechanisms that reward companies reducing their emissions and ensure fair competition across markets. The Carbon Border Adjustment Mechanism (CBAM) is a critical tool to prevent carbon leakage, and we see value in exploring harmonized Emissions Trading Systems to level the playing field globally and drive collaboration across nations. The EU Emission Trading System (ETS) must remain the cornerstone of European climate policy, driving investment in clean decarbonized technologies and materials. Free emission allowances must be phased out in the decided timeframe (2026–2034).

To be effective, CBAM must:

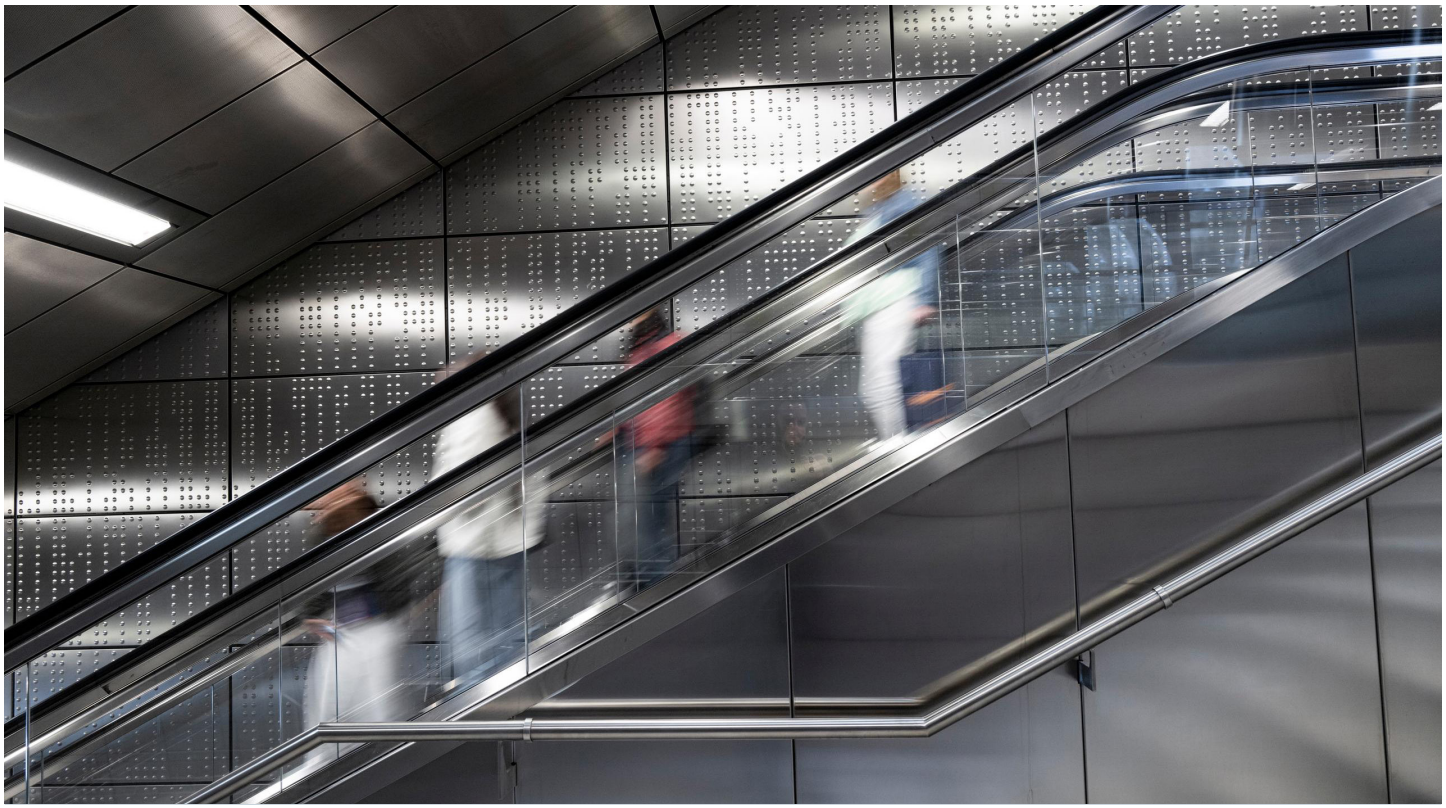
- Include indirect emissions (Scope 2) and steel-intensive downstream sectors
- Use default values that reflect actual carbon emission levels of the origin country
- Apply robust rules of origin ("Melted and Poured") to avoid circumvention of materials
- Continue free allowances for export to ensure fair market conditions on countries with no emission trading system

# Driving demand for green steel through public procurement

Public procurement accounts for an estimated 11% of EU steel consumption. By mandating near-zero emissions steel in infrastructure, construction, and transportation projects, the EU can stimulate early demand and build industrial resilience. Public procurement can play a decisive role by embedding low-carbon and circular criteria into infrastructure, transport, and energy projects. These measures could provide the demand signals that make climate leadership commercially viable. These need to be coordinated internationally so that public procurement standards for green materials are harmonized, reducing trade distortions and creating predictable demand.

**Solutions to build lead markets:**

- **Set binding sustainability criteria in procurement tenders** such as requiring maximum carbon intensity thresholds for steel
- **Clear EU-wide labelling and standards,** such as those proposed by the Low Emission Steel Standard (LESS) initiative, are essential to ensure fair competition and comparability.
- **Define a specific criterion for carbon and stainless steel,** under the same label – considering the differences in manufacturing processes and end-use



## Secure access to sustainable critical raw materials

A successful transition to a low-carbon economy – and the strengthening of European autonomy and defense – hinges on secure and responsible access to critical raw materials. Outokumpu advocates for transparent, ethical, and sustainable sourcing practices, integrating circularity and recycling targets into raw material strategies. Outokumpu's mine in Kemi, Finland, the only chrome mine in the European Union, exemplifies sustainable raw material sourcing with up to 67% lower carbon footprint compared to the global average.

Incentivizing circular business models through public procurement, tax reform, and reporting standards will reduce dependency on virgin resources and lower environmental impacts. Strengthening traceability requirements across supply chains is essential to ensure European autonomy and resilience.

# Accelerating the circular economy through regulation and finance

Circularity is one of the most effective levers to decarbonize and mitigate biodiversity loss of the materials sector while reducing pressure on virgin raw materials. Outokumpu calls on policymakers to implement regulatory frameworks that:

- **Reward secondary raw material use** by setting standards and incentives for recycled content in industrial production.
- **Level the playing field for circular business models** through tax reforms, procurement policies, and harmonized regulations that make low-carbon solutions commercially viable.
- **Ensure scrap as a critical material for industrial use in Europe**

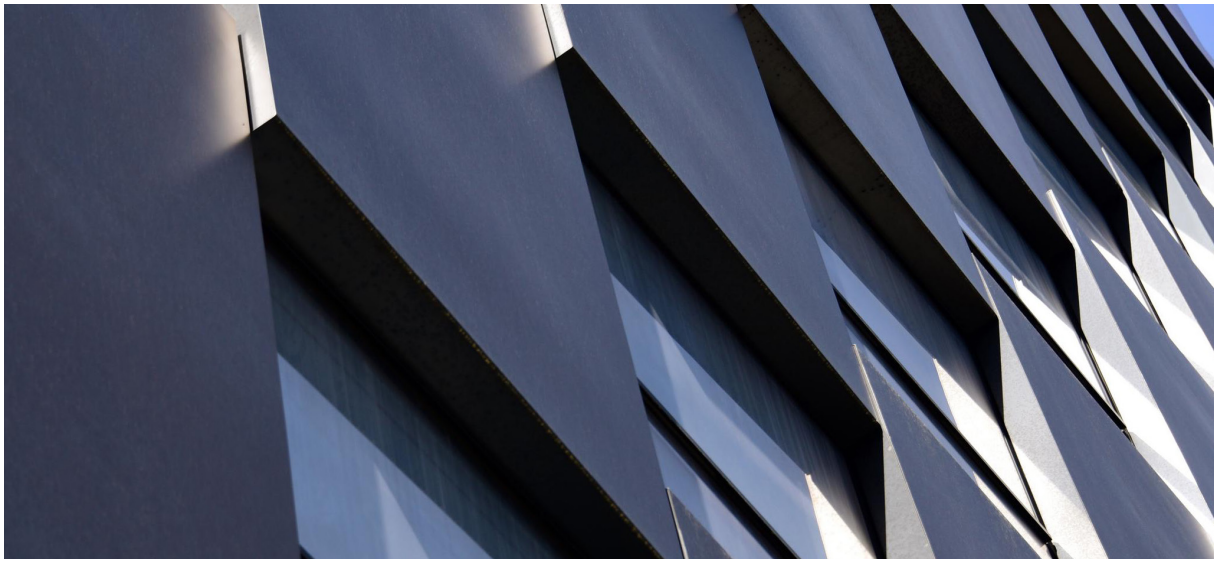
By combining regulation with targeted financial mechanisms, governments can create predictable market conditions that accelerate industrial decarbonization, stimulate innovation, and drive the transition to a truly circular economy.

## Call to action

Outokumpu urges COP30 negotiators to implement ambitious and coordinated policies that enable industrial decarbonization at scale. This includes strong carbon pricing and robust carbon pricing frameworks, the creation of lead markets for low-emission materials through public procurement and incentives, and secure, sustainable, and traceable access to critical raw materials.

Policymakers should prioritize regulations and financial mechanisms that accelerate circular business models, reward the use of recycled and secondary materials and align climate finance with low-carbon innovation. By fostering strategic partnerships and supporting technological advancement, the conditions for a resilient, low-carbon, and circular industrial future can be created.

Learn more about Outokumpu at COP30 on our website



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Outokumpu is accelerating the green transition as the global leader in sustainable stainless steel. Our business is based on the circular economy: our products are made from 95% recycled materials, which we then turn into fully recyclable stainless steel. This steel is utilized in various applications across society, including infrastructure, mobility, and household appliances. We are committed to 1.5°C target to mitigate climate change, and with up to 75% lower carbon footprint than the industry average, we support our customers to reduce their emissions. Together, we are working towards a world that lasts forever. Outokumpu Corporation employs approximately 8,700 professionals in close to 30 countries, with headquarters in Helsinki, Finland and shares listed in Nasdaq Helsinki. Read more: www.outokumpu.com