

The Church of England Pensions Board and other Climate Action 100+ signatory investors, representing over USD \$55 trillion in assets, have set out the actions that the steel industry must take to decarbonise in line with the goals of the Paris Agreement.

- Institutional Investors Group on Climate Change (IIGCC) publishes sector strategy for steel as part of Climate Action 100+ initiative, outlining priority actions for steel producers and other value chain participants to align industry with the goals of the Paris Agreement
- The strategy reports that while it is technically feasible to decarbonise steel by 2050, the industry is not on track to meet IEA's net zero target and it will only be achieved if multiple actions across the value chain are pursued simultaneously and with urgency
- Findings will support investor engagement with leading steel companies through Climate Action 100+

**Adam Matthews, Chair, Transition Pathway Initiative and Chief Responsible Investment Officer (CRIO), Church of England Pensions**

**Board, said:** "Steel companies face a challenging transition and the prize will be investors that not only remain as shareholders but also provide the needed transition finance. However, for investors to play this role not only requires clear targets, but detailed transition plans demonstrating the feasibility of key technologies and what enabling public policy they need. Additionally, it will be essential for the sector but also investors to secure commitments from those that buy steel. This calls upon investors to engage the whole value chain to drive demand for zero carbon steel. Today we begin to set out our understanding of the sector's transition to underpin our work over the coming years."

**Key expectations of companies include:**

- Decarbonisation targets: Set short-, mid- and long-term targets in line with the IEA NZE 2050 scenario and consistent with the Climate Action 100+ Net-Zero Company Benchmark indicators.
- Demonstrate the feasibility of emerging technologies: Produce reports by the end of 2022 that set the scope for companies to deploy carbon capture and storage or CCS/CCUS and hydrogen-based DRI-EAF to decarbonise steel production.
- Aligning capex with net zero: Commit to aligning capital expenditure with a broader net zero strategy, including setting out plans to invest in low-carbon steelmaking technologies and not investing in any new production capacity whose emissions cannot be abated.
- Policy transparency: Specify the policy positions that it will adopt to accelerate the delivery of its transition plan, including position on carbon pricing mechanisms, EU's carbon border adjustment and R&D funding required to support the transition.

Read the full release from the IIGCC, [here](#).

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