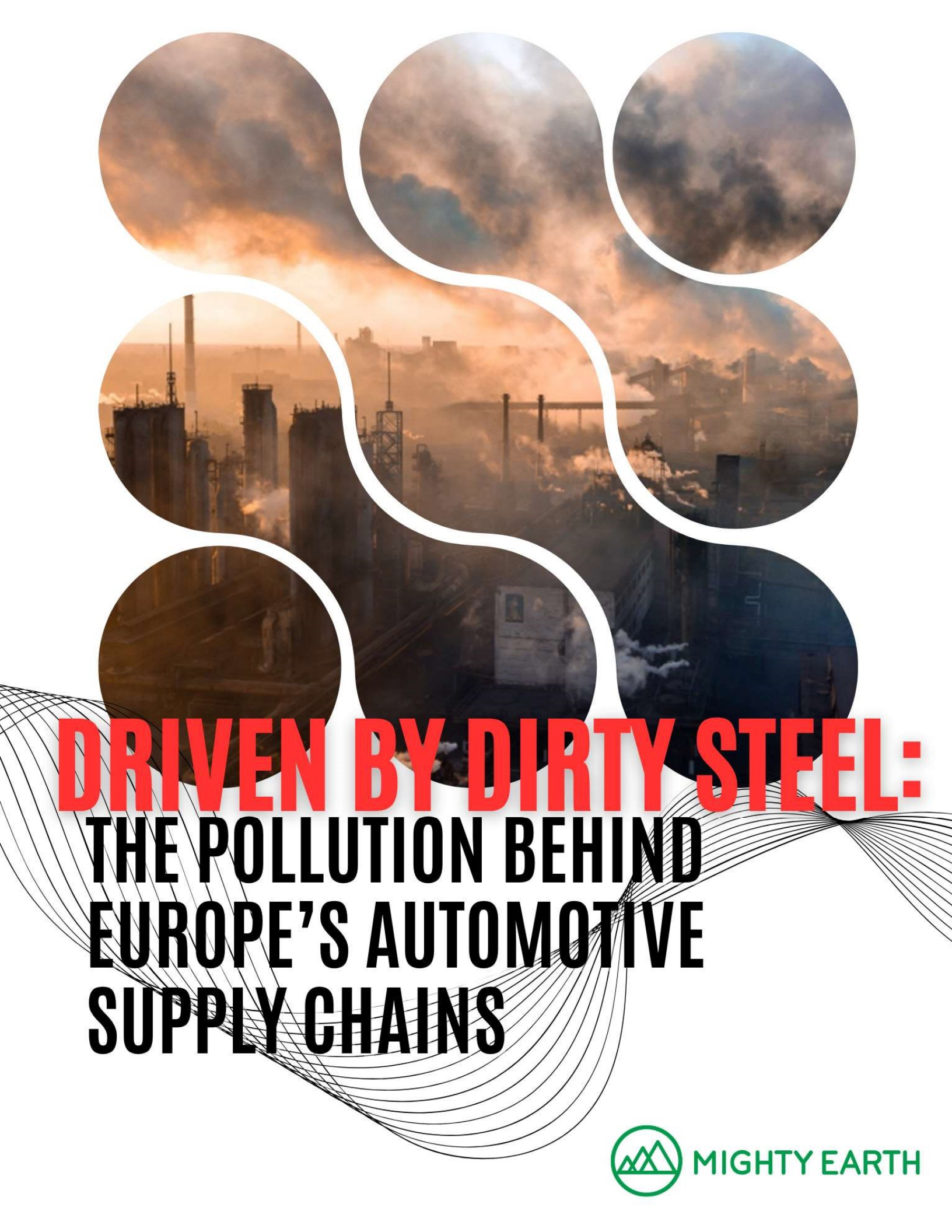




DRIVEN BY DIRTY STEEL: **THE POLLUTION BEHIND** **EUROPE'S AUTOMOTIVE** **SUPPLY CHAINS**



MIGHTY EARTH

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Executive Summary

The global steel industry sits at the center of modern economic life and industrial development. Steel is essential to the construction of buildings, transportation systems, household products, renewable energy infrastructure, and automobiles. Every year, the world produces roughly 2 billion tons of raw steel, making it one of the most widely used industrial materials on the planet. Yet this immense scale comes with significant environmental and public health costs. Traditional steelmaking continues to rely heavily on blast furnaces — facilities that release large quantities of greenhouse gases and toxic pollutants into surrounding communities. The steel and iron sector alone is responsible for approximately 7% of global greenhouse gas emissions, making it one of the most carbon-intensive industries in the world. In addition to contributing to climate change, steel plants emit pollutants such as sulfur dioxide, nitrogen oxides, benzene, heavy metals, and fine particulate matter, all of which are linked to respiratory disease, cancer, cardiovascular illness, and environmental degradation.

In recent years, there's been a push toward “green steel” — steel produced using low-emission technologies such as electric arc furnaces or hydrogen-based direct reduced iron (DRI) using renewable energy sources. Compared to conventional coal-based steelmaking, these methods can dramatically reduce carbon emissions while also limiting harmful pollution in nearby communities. The transition is no longer theoretical. Across Europe and parts of Asia, companies and policymakers have announced major investments in cleaner steel production, and a growing number of automakers have publicly committed to purchasing low-emission steel. Academic research suggests that incorporating green steel into automobile manufacturing would add only marginal costs to vehicle production while substantially reducing life-cycle emissions.¹ However, despite public announcements, policy reforms, and billions of euros in subsidies, progress remains uneven. Many major steel producers continue to rely on coal-based blast furnaces, while some planned decarbonization projects have been delayed, scaled back, or canceled altogether.

The automotive industry plays a critical role in determining whether the transition to cleaner steel succeeds. Automakers are among the world's largest consumers of steel, and nearly every major manufacturer has announced goals to achieve carbon neutrality or sharply reduce emissions over the coming decades. Yet those commitments cannot be fully realized without addressing emissions embedded throughout the automotive supply chain, particularly in steel production. This report examines the relationship between major European steel producers — including ArcelorMittal, Tata Steel, and Acciaierie d'Italia — and some of the world's largest automakers, including BMW, Ford, General Motors, Honda, Mercedes-Benz, Renault, Stellantis, Tata Motors, Toyota, Volkswagen, and Volvo. It explores how continued reliance on carbon-intensive steel production undermines corporate climate commitments, while also documenting the environmental and human impacts experienced by communities living in the shadow of major steel plants across Europe.

Introduction to Steel and Autos

The global steel industry is massive, with approximately 2 billion tons of raw steel produced annually.² Steel is everywhere — in the buildings you enter, the cars you drive, and the planes that you fly in. In fact, the average European uses about 324 kilograms of steel each year.³ However, the production of this much steel has historically led to large amounts of greenhouse gas emissions and carbon dioxide. In 2019, the International Energy Agency reported that direct emissions from the steel and iron industry accounted for 2.6 gigatons of carbon dioxide annually,⁴ representing approximately 7% of global greenhouse gas (GHG) emissions and 11% of global carbon dioxide emissions.⁵

Fortunately, much of the globe is looking to produce “green steel,” or steel produced with renewable energy. It typically requires electric arc furnaces (EAF), scrap metal, green iron, and green hydrogen. About a third of steel globally is currently produced using EAFs with recycled materials.⁶ This produces approximately 0.2 tons of GHG per ton of steel, resulting in 75% fewer carbon dioxide emissions than traditional steelmaking.⁷ Traditional steelmaking relies on basic oxygen furnaces (BF-BOF), metallurgical coke, and iron ore, and this makes up about two-thirds of global steel production. This traditional process produces about 2.3 tons of GHG per ton of steel.⁸

There had been an increase in the use of recycled steel, but recent evidence suggests that this trend has hit a plateau, with one study finding, “The share of recycled iron inputs into global steelmaking has stagnated at 30% over the past two decades.”⁹ Despite this, there is a lot of promise, with the vast majority of newly announced steelmaking capacity planning to use EAFs, according to the Global Energy Monitor.¹⁰

One way to incentivize a quicker transition to green steel and a cleaner environment is to encourage the primary consumers of steel to push for change. The automotive industry is a major purchaser of steel, being the third-largest consumer globally,¹¹ historically reliant on the production of primary steel.¹² In Europe, for example, the automotive sector is responsible for about 20% of all steel consumption.¹³ This underscores not only the automotive sector’s responsibility for the impacts of coal-based steel production globally, but also the opportunity for the industry to use its leverage to shift toward manufacturing processes that protect the environment and improve labor standards.

Automakers constantly advertise and discuss their drive to carbon neutrality, but this is impossible if they continue to use dirty steel. According to academic studies and real-world examples, automakers can viably work with green steel. A recent study found that switching to green steel “would cost about \$199 per vehicle on average, an increase of about 0.66% in the case of a \$30,000 vehicle.”¹⁴ Even this small increase is likely to “decline over time as the prices of hydrogen and renewable electricity decrease and hydrogen electrolyzers are increasingly commercialized.”¹⁵

In addition, many automakers have announced efforts to use green steel, lowering their carbon footprints. In 2021, Hybrit, a Swedish company, delivered the first green steel to Volvo.¹⁶ In 2023, Porsche signed an agreement with a startup to purchase carbon dioxide–reduced steel in 2026.¹⁷ Just a few months ago, Mercedes-Benz announced its commitment to purchase 200,000 tons of carbon dioxide–reduced steel per year for its auto manufacturing in Europe.¹⁸

Isuzu Motors Limited has recently promised to use green steel in its manufacturing, which would mark the first time green steel has been used for commercial vehicles in Japan.¹⁹ Also in Japan, Nissan announced that it would increase its use of green steel in production by 500%.²⁰ The transition from dirty steel to green steel could not come soon enough. Coal-based steel plants produce many pollutants, including nitrogen oxide, sulfur dioxide, and fine particulate matter. These pollutants poison waterways, threatening the lives

of those who live near steel plants. Overall, Europe must accelerate the transition to green steel not only for health and climate reasons, but also to ensure that the European steel industry remains competitive.

European Steel Companies and Automakers

ArcelorMittal, Tata Steel, and Acciaierie d'Italia are major steel producers in Europe with deep ties to the automotive industry. Research shows that they are likely supplying steel to leading automakers, including BMW, Ford, General Motors, Honda, Mercedes-Benz, Renault, Stellantis, Tata Motors, Toyota, Volkswagen, and Volvo. Across facilities in France, Spain, Germany, the Netherlands, and Italy, these companies operate blast furnace steel plants that have become focal points for concerns about industrial pollution, greenhouse gas emissions, and public health. Communities near these facilities report elevated rates of respiratory illness, cancer, toxic dust exposure, and environmental degradation.

A central theme across these cases is the tension between industrial decarbonization commitments and continued reliance on coal-based steelmaking. Although governments in several European countries have pledged billions of euros in subsidies to support hydrogen-based direct reduced iron (DRI) technology and other lower-emissions pathways, progress has been uneven and, in some cases, stalled entirely. ArcelorMittal suspended planned hydrogen DRI projects in France, Germany, and Spain, citing high costs, weak steel demand, and competition from imports, despite major public funding commitments. Meanwhile, Tata Steel's proposed "green steel" strategy still relies heavily on fossil fuels, undermining claims of sustainability. In Italy, Acciaierie d'Italia continues its pollution in nearby neighborhoods in Taranto. Community advocates and environmental groups consistently call for accelerated transitions toward fossil-free steel production, emphasizing that decarbonization is necessary not only for climate goals but also for protecting public health and ensuring safer living conditions.

The automotive sector plays a significant role in sustaining demand for steel produced at these facilities. Trade data, supplier awards, and commercial partnerships indicate longstanding relationships between these three steel producers and major car manufacturers. Yet continued use of this type of steel runs counter to the automakers' self-imposed target dates to achieve low-emission vehicle production. A recent assessment of available low-emission steel "reveals that there are enough projects to supply the car sector's steel demand, provided clear and ambitious demand-creation measures are in place."²¹ In the end, actions must follow declarations. If the European auto industry truly wants a low-emission future, it needs to drive that change throughout its supply chain, starting with steel production.

ArcelorMittal, S.A.



ArcelorMittal

“How is it possible that I have to live with the risks this pollution supposes, only so a bunch of businessmen can earn a lot of money at the cost of endangering lives?”

— Jose Luis Rodríguez Peón, a local resident²²

ArcelorMittal is an integrated steel manufacturing and mining company that conducts operations in at least 15 countries, participating in various industries, such as construction and automotive. It is the largest steel producer in Europe,²³ relying predominantly on coal-based blast furnaces.²⁴ It holds a worldwide market share of 16% in the automotive sector, supplying markets in the Americas, Europe, South Africa, India, and China.²⁵ In 2024, the automotive and mobility market represented 17% of ArcelorMittal’s revenue.²⁶ The company has three steel plants in Europe that are likely supplying the auto industry.

In April 2025, ArcelorMittal quietly retreated from its climate commitments and any further major investments in decarbonization until the 2030s, as stated in its 2025 Sustainability Report.²⁷ Not only has ArcelorMittal lacked a willingness to decarbonize, it has also explicitly opposed the EU Emissions Trading System, a key policy in the EU to decarbonize.²⁸

ArcelorMittal Mediterranée SASU

ArcelorMittal Mediterranée SASU is located in France, with a flat carbon steel plant in Fos-sur-Mer and a finishing facility for electrical steel in Saint-Chély d’Apcher.²⁹ The Fos-sur-Mer facility includes two blast furnaces and has an annual production capacity of more than 4 million tons of different specialized steels.³⁰

The industrial area surrounding Fos-sur-Mer has experienced significant environmental and public health impacts linked to heavy industrial activity, such as steel production. Approximately 40,000 residents are exposed daily to pollutants such as fine particulate matter, benzene, nitrogen oxides, sulphur dioxide, dioxins, and PCBs, with studies showing substantially higher rates of cancer, asthma, and other illnesses compared to national averages.³¹ Reports also document repeated breaches of legal air-quality standards by ArcelorMittal, including pollution exceedances of 240 days in 2022, alongside a history of environmental violations and ongoing legal actions against the company related to public health and environmental damage.³²

Advocates and local residents argue that the situation demonstrates the urgent need for a just and ambitious decarbonization of the steel industry. While emphasizing that steel production and industrial employment should remain in France and not simply shift to countries with weaker

environmental rules, residents contend that production methods must transition away from coal-based blast furnaces toward fossil-free and lower-emission alternatives.

ArcelorMittal España, S.A.

ArcelorMittal España, S.A. is located in Spain and has two facilities, one in Avilés and the other in Gijón. These facilities are linked by the company's own railway system and operate as a single integrated steel plant.³³ It is the last coal-based steel plant in Spain.³⁴

Residents and environmental advocates have argued that the nearby plant has contributed to severe and longstanding air pollution problems, including repeated exceedances of particulate matter limits, mercury contamination, and elevated benzene levels.³⁵ Communities living near the facility report respiratory illnesses and daily accumulation of iron oxide dust on homes and property, while critics contend that the plant's emissions continue to harm public health and contribute significantly to climate change. In one instance, residents demanded bag filters to cut emissions, yet media outlets claim that regional governments allowed ArcelorMittal to build a 60-meter chimney to dispense pollution instead. The International Institute for Law and the Environment claims that this has allowed them to "pollute above legal limits" for years.³⁶ Although the company has received substantial public support for decarbonization efforts and runs a profit, concerns have intensified following the steel producer's decision to cancel its plan to replace one of its blast furnaces with a green hydrogen direct reduced iron (DRI) project.

ArcelorMittal Bremen GmbH

ArcelorMittal Bremen GmbH is located in Germany and has two blast furnaces in operation. ArcelorMittal's plant alone accounts for roughly half of Bremen's greenhouse gas emissions. Nearby residents and local politicians celebrated several years ago when the company announced that it would transition to carbon-neutral production. However, the company canceled plans last summer, forgoing 1.3 billion euros in public subsidies for the transition. ArcelorMittal blamed high energy costs and weak demand for steel for the cancellation. Three other projects to build green steel sites remain ongoing in Germany,³⁷ yet this decision represents a major setback for Germany's industrial climate goals and raises concerns about the future pace of decarbonization in the European steel sector.

Ties to Automakers

The three steel plants in France, Spain, and Germany are likely supplying steel to several automakers such as Ford, General Motors, Honda, Stellantis, Tata Motors, Toyota, and Volkswagen.

In 2023 and 2024, ArcelorMittal received a quality excellence award and a partnership award from Toyota,³⁸ having also received a supplier award from Toyota Europe in 2017.³⁹ In 2018, Jaguar Land Rover (subsidiary of Tata Motors) awarded ArcelorMittal Europe a "Supplier Excellence Award" for its quality production, while Ford ranked ArcelorMittal in first place among its top five suppliers, and General Motors awarded ArcelorMittal a "Supplier Quality Award." Honda R&D Americas, Inc. also awarded ArcelorMittal its "Excellence in Innovation Award" in 2018.⁴⁰

In May 2025, ArcelorMittal and Stellantis jointly presented a process to simplify assembly and achieve global crash safety requirements.⁴¹ This relationship can be traced back through former independent carmakers Fiat Chrysler and Peugeot Citroën. In 2018, Fiat Chrysler awarded ArcelorMittal the best raw material supplier in Latin America,⁴² and Peugeot Citroën also recognized ArcelorMittal in 2016 for its technical contributions to its manufacturing process.⁴³ In 2016, Volkswagen included ArcelorMittal in its Future Automotive Supply Tracks supplier program to foster collaboration between the two companies.

Tata Steel Ijmuiden, B.V.



“Our children are growing up in the dirty air of Tata Steel. They play in gardens where black dust settles and breathe in toxic substances. That is unfair and unhealthy. As long as Tata continues to use coal and gas, nothing will change. We want our children to grow up safely with clean air.”

— Sanne Walvisch, Frisse Wind⁴⁴

Tata Steel is a diversified and integrated steel producer, with a production capacity of 35 million tons per annum. They conduct operations in several countries, including India, Netherlands, United Kingdom, and Thailand. In the Netherlands, operations are conducted by Tata Steel Netherlands and its two business units: Tata Steel Downstream Europe and Tata Steel Ijmuiden, B.V.⁴⁵ The latter is one of the largest steel producers in Europe, operating two blast furnaces. It manufactures a number of flat steel products to a number of industries, including the automotive sector.⁴⁶

Tata Steel Ijmuiden is one of the Netherlands’ largest CO₂ emitters, linking its operations to broader climate concerns. Community groups and environmental advocates argue that the company’s proposed “green steel” transition continues to rely heavily on coal, gas, and LNG, undermining its credibility as a low-carbon solution. Activists and local organizations are calling for stronger action from policymakers and industry stakeholders and asking for automakers to ensure that this company’s steel is truly sourcing renewable energy.

It is important to note that the Dutch Public Prosecutor’s Office recently opened a criminal investigation against Tata Steel Ijmuiden, alleging that the steel producer “failed to properly maintain parts of its industrial facilities, sometimes operated without the necessary permits, and failed to report certain incidents involving unprocessed coke.”⁴⁷ The investigation originated from a 2021 lawsuit filed by a lawyer on behalf of 800 local residents. After reviewing the original case, the prosecutor’s office believes that it has sufficient grounds to prosecute Tata Steel.⁴⁸

As it stands currently, the plant near Ijmuiden lies just outside of Amsterdam and is a major source of pollution. Local residents, numbering an estimated 150,000 people, live with the harmful emissions of metal dust and toxic substances.⁴⁹ In a nearby village, one study found that 80% of residents are exposed to dust, odor, and noise, alongside elevated health risks such as asthma, lung cancer, and premature death.⁵⁰ Studies indicate that lung cancer rates in the region are about 25% higher than the national average, life expectancy is reduced, and pollutants including lead, PAHs, and other carcinogens are present at dangerous levels.⁵¹ The plant is also associated with more than 3,000 environmental and safety incidents annually, raising concerns about long-term irreversible health impacts, particularly for children.⁵²

Ties to Automakers

Tata Steel is likely supplying steel to several automakers such as BMW, Ford, Mercedes-Benz, Renault, Tata Motors, Toyota, Volvo, and Volkswagen.

In a 2025 report on Tata Steel, Volvo, Volkswagen, and Mercedes-Benz were recognized as Tata Steel automotive clients.⁵³ Tata Steel has also received awards by automakers. For example, in 2017, Tata Steel Europe (precursor of Tata Steel Netherlands) received quality awards from Jaguar Land Rover (subsidiary of Tata Motors) and Volvo.⁵⁴ It was also recognized as the best steel supplier by Renault, Toyota, and Ford.⁵⁵ Renault had previously named Tata Steel its preferred steel supplier for 2015.⁵⁶

Analyzing trade data shows that 48 steel shipments were made between 2020 and 2024 from Tata Steel IJmuiden, B.V. to Gestamp San Luis Potosí in Mexico.⁵⁷ These shipments mainly contained hot-rolled galvanized steel and alloy steel, which had a total weight of 11.8 million kg and a total value of \$18 million.⁵⁸ Gestamp San Luis Potosí then made 45 shipments between 2022 and 2025 to BMW AG in Germany and its subsidiaries in the U.S., mainly of chassis parts for automotive use.⁵⁹ Gestamp San Luis Potosí also made 10 shipments between 2021 and 2022 to Mercedes-Benz Werk Mannheim in Germany and Mercedes-Benz U.S. International, containing stamped body parts.⁶⁰ Although it is not possible to know for sure that the same steel that Tata Steel IJmuiden, B.V. sent to Gestamp San Luis Potosí in Mexico ended up in BMW and Mercedes-Benz cars manufactured in Germany and the U.S., it is an indicator that there may be logistical connections between the steel producer and the automotive sector.

Acciaierie d'Italia, S.p.A. (ADI)



“Taranto is a city deeply scarred by the long, complex, and environmentally damaging legacy of the Ex Ilva complex, Italy’s last integrated steelworks. The complete and rapid decarbonization of the facility is the only viable pathway to protecting public health, workplace safety, environmental integrity, and employment security.”

— Lunetta Franco, president of Legambiente Taranto⁶¹

Acciaierie d'Italia, S.p.A. (ADI) is a major Italian steel producer,⁶² operating eight facilities in Italy, the most important being the Taranto steel mill, along with plants in Genoa and Novi Ligure.⁶³ Inaugurated in 1964, the Taranto steel plant is the only integrated-cycle facility in Italy, producing primary steel, from the processing and transformation of fossil coal and iron ore to the output of products such as black coil, cold-rolled or galvanized steel, zinc-coated steel, and SAW and ERW pipes.⁶⁴ The Genoa site functions as both a logistics hub and a transformation center, receiving finished and semi-finished products through port docks managed by the company. The Novi Ligure industrial complex is dedicated to the production of zinc-coated and cold-rolled steel. As the endpoint of the company’s supply lines and given its strategic location near Italy’s most industrialized regions, this site also produces high-quality components for the automotive sector.⁶⁵

Until recently, ArcelorMittal held an ownership stake in these steel facilities. However, in February 2024, the Italian government placed ADI under extraordinary administration, prompting ongoing legal disputes between ArcelorMittal and the government. The government is currently seeking a new investor or buyer for ADI and its steelmaking operations.

The city of Taranto, Italy, has become emblematic of the severe environmental and public health consequences associated with decades of pollution from steel production. Residents of the nearby Tamburi neighborhood live in extremely close proximity to the ADI facility, separated only by a wire fence. Residents face elevated rates of cancer, infant mortality, and other serious health impacts linked to toxic emissions such as dioxins, benzo(a)pyrene, sulfur dioxide, and iron-ore dust.⁶⁶ International bodies, including the United Nations and the European Court of Human Rights, have described the area as a “sacrifice zone,” concluding that continued pollution poses ongoing risks to the health and well-being of local communities.⁶⁷

Residents also face declining property values and limited ability to relocate, compounding the social and economic burden on affected communities.⁶⁸ Stakeholders increasingly view rapid decarbonization of ADI as essential to protecting both the local population and the long-term viability of the steel industry. Environmental leaders have pushed for the plant to shift away from fossil-based production and also to account for the demands of the local community.⁶⁹

Ties to Automakers

ADI is likely supplying steel to several automakers, but those links have not been disclosed, except for its likely relationship as a supplier to Stellantis. Press reports refer to historical commercial links between ILVA S.p.A. (the predecessor of ADI) and Fiat S.p.A. (currently Stellantis N.V.).⁷⁰ Additionally, by 2017, Fiat Chrysler Automobiles N.V. (also now Stellantis N.V.) used ArcelorMittal steel in some of its models,⁷¹ and in 2019, ArcelorMittal won Fiat's "Best Raw Material Supplier" award.⁷² On this basis, it is likely that ADI is currently supplying steel to several Stellantis N.V. plants throughout Italy.

Auto Manufacturers

Automobile manufacturers incessantly talk of driving down emissions and reaching carbon neutrality, but achieving those goals in reality requires more than just talking points and headlines. It requires structural changes throughout the automotive supply chain, including the sourcing of steel. Automakers cannot become carbon neutral if the steel they buy to make the automobiles is not carbon neutral.

The automakers mentioned in this report⁷³ — BMW, Ford, General Motors, Honda, Mercedes-Benz, Renault, Stellantis, Tata Motors, Toyota, Volkswagen, and Volvo — must pump the brakes on carbon-intensive steel production and drive toward a better future. If not, they will not be able to achieve their own goals of carbon neutrality.

1. BMW: “The BMW Group is committed to the Paris Agreement: by 2050 at the latest, we intend to reduce our CO₂ emissions by 90 percent compared with 2019.”⁷⁴
2. Ford: “We believe that every person has a right to clean air, clean water, and safe transportation. That’s why we continue to pursue the ambitious goal of becoming carbon neutral across our vehicles, manufacturing facilities and supply chain no later than 2050.”⁷⁵
3. General Motors: “For example, our targets for operations and sold products have a target year of 2035, and our goal to achieve carbon neutrality in global products and operations extends to 2040.”⁷⁶
4. Honda: “In our efforts to achieve a ‘Zero Environmental Impact Society,’ we are working toward our vision by 2050 of net zero CO₂ emissions, 100% utilization of carbon-free energy, and 100% use of sustainable materials.”⁷⁷
5. Mercedes-Benz: “The ambition is to make our entire fleet of new vehicles net carbon-neutral along the entire value chain and over the vehicles’ entire life cycle by 2039.”⁷⁸
6. Renault: “Renault Group aims to be carbon neutral in Europe by 2040 and worldwide by 2050.”⁷⁹
7. Stellantis: “As part of its strategic plan adopted in 2022... Stellantis has set for itself the long-term goal of achieving carbon net zero by 2038 and taking a leadership role in decarbonization via a deep commitment to electrification.”⁸⁰
8. Tata Motors: “Our aim is to achieve Net Zero greenhouse gas emissions for our passenger and commercial vehicles businesses by 2040 and 2045 respectively.”⁸¹
9. Toyota: “We also include significant upstream and downstream activities in our carbon neutrality commitment so that by 2050, we aspire to be carbon neutral across the value chain.”⁸²
10. Volkswagen: “As one of the world’s largest automakers, the Volkswagen Group has a global responsibility — one it plans to embrace by committing to making its vehicles and production carbon-neutral by 2050.”⁸³
11. Volvo: “We’re aiming to reach net zero greenhouse gas emissions by 2040. How? By reducing emissions across our entire value chain.”⁸⁴

Conclusion and Recommendations

The European automotive industry stands at a pivotal moment in its transition toward cleaner, more sustainable manufacturing.⁸⁵ Transitioning away from coal-based steel production requires strong and reliable market demand for low- and near-zero-emissions steel. While government subsidies and rising carbon prices in Europe have encouraged investment in cleaner steelmaking projects, many proposed facilities remain stalled because investors lack confidence that long-term buyers will support the higher costs associated with green steel production. The automotive industry, which consumes roughly 15 million tons of primarily high-grade steel each year, is positioned to play a critical role in creating these market signals. Recent analysis found that Europe has enough announced near-zero capable steel projects to meet the automotive sector's steel demand by 2035.

The automakers analyzed in this report have set ambitious carbon-neutrality targets, yet their continued reliance on coal-based steel from ArcelorMittal, Tata Steel, and Acciaierie d'Italia undermines these commitments and perpetuates significant environmental and public-health harms. If European automakers pushed for change in European steel manufacturing, these three steel producers would be required to adjust. Without that pressure, as the report demonstrates, these companies will remain heavily invested in aging blast furnace operations and fossil gas that generate high levels of greenhouse gases and toxic pollutants, causing elevated rates of respiratory illness, premature death, and degraded air and water quality in surrounding communities.

Automakers hold significant leverage to influence this trajectory. As major consumers of steel and key drivers of future demand, they are uniquely positioned to accelerate the decarbonization of the steel sector by setting clear expectations, aligning procurement strategies with climate goals, and supporting suppliers that invest in low-carbon production. Without this leadership, European steelmaking will lag behind global peers, and the automotive industry will remain tied to a supply chain that conflicts with its stated environmental values.

Mighty Earth and its allies call on BMW, Ford, GM, Honda, Mercedes-Benz, Renault, Stellantis, Tata Motors, Toyota, Volkswagen, and Volvo to do the following:

- **Commit to Phasing Out Coal:** Automakers must unequivocally commit to halting new coal investments and phasing out coal usage in their supply chains. Ensuring that future investments exclusively support fossil-free production of essential materials such as steel and aluminum will pave the way for a sustainable and resilient production model.
- **Accelerate the Transition to Electric Vehicles:** Automakers must expedite the phase-out of fossil fuel vehicles and fully embrace a future of 100% electric vehicles. This transition should include setting binding deadlines for internal combustion engine phase-outs in alignment with global climate goals, particularly the 1.5° C warming limit outlined by the Paris Agreement. A robust plan to achieve this transition will reaffirm automakers' leadership in sustainable mobility.
- **Decarbonize Steel Supply Chains:** The steel industry, responsible for a significant proportion of automakers' emissions, requires targeted interventions to reduce carbon intensity. Automakers should establish science-based targets to decarbonize their supply chains, including annual purchasing goals for low-carbon and zero-carbon materials, backed up with

binding purchase agreements. Collaborating with initiatives like SteelZero and the First Movers Coalition will accelerate these goals and catalyze broader industry shifts.

- **Create Demand for Near-Zero Emissions Steel:** Automakers should use their purchasing power to accelerate the transition to fossil-free steel by making long-term, binding procurement commitments for near-zero-emissions steel. Establishing clear procurement targets, entering into offtake agreements with green steel producers, and publicly disclosing progress will provide the market certainty needed to unlock investment in climate-neutral steel production and scale supply. By acting as lead buyers, automakers can help bring green steel projects to commercial maturity while significantly reducing their Scope 3 emissions.
- **Enhance Human Rights Due Diligence:** Comprehensive human rights due diligence is essential to addressing the documented risks in automakers' supply chains. From mining to manufacturing, automakers must implement proactive measures to identify, prevent, and remediate human rights violations. This includes a zero-tolerance policy for violence throughout their supply chains. These measures should include transparent reporting and active engagement with affected communities.
- **Uphold Workers' Rights and Community Benefits:** Respect for workers' rights is fundamental. Automakers should adopt Community Benefit Agreements with host communities and institute independent, third-party monitoring of labor conditions within their supply chains. Such initiatives will ensure that economic development does not come at the expense of human dignity and safety.

A transition to clean steel is not only feasible but essential. By prioritizing renewable sourcing, automakers can help protect public health, reduce climate impacts, and strengthen the long-term competitiveness of both the automotive and steel industries. The choices made in the coming years will determine whether Europe leads in the emerging green-steel economy or continues to rely on practices that impose substantial social, environmental, and economic costs.

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