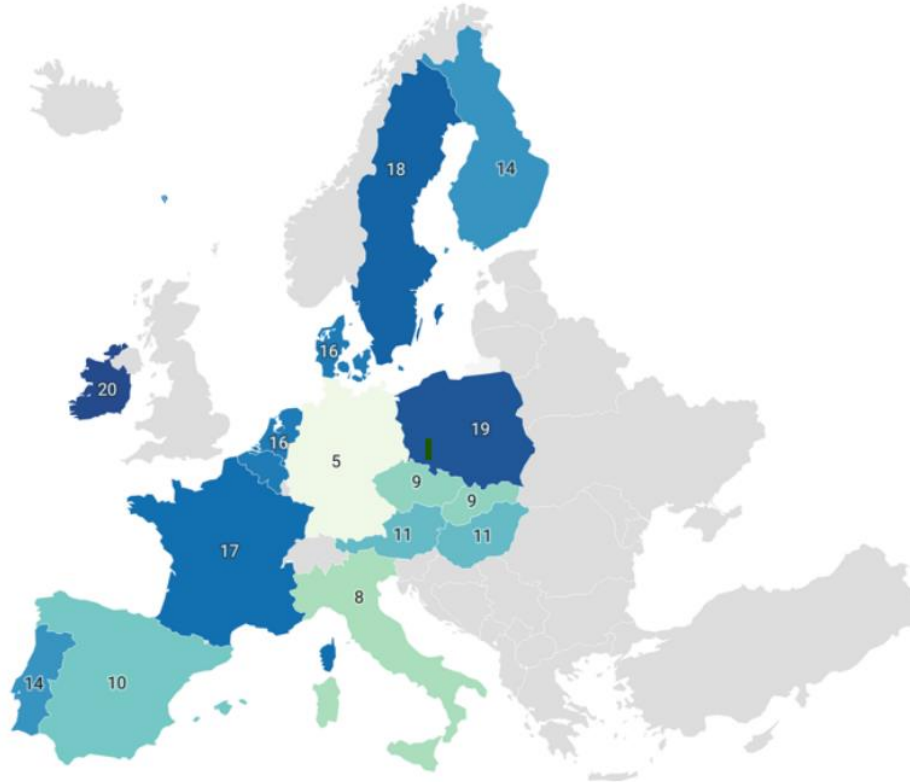


Can smarter procurement create lead markets for green steel?

Ville Valovirta, VTT Technical Research Centre

10/10/2025 VTT – beyond the obvious

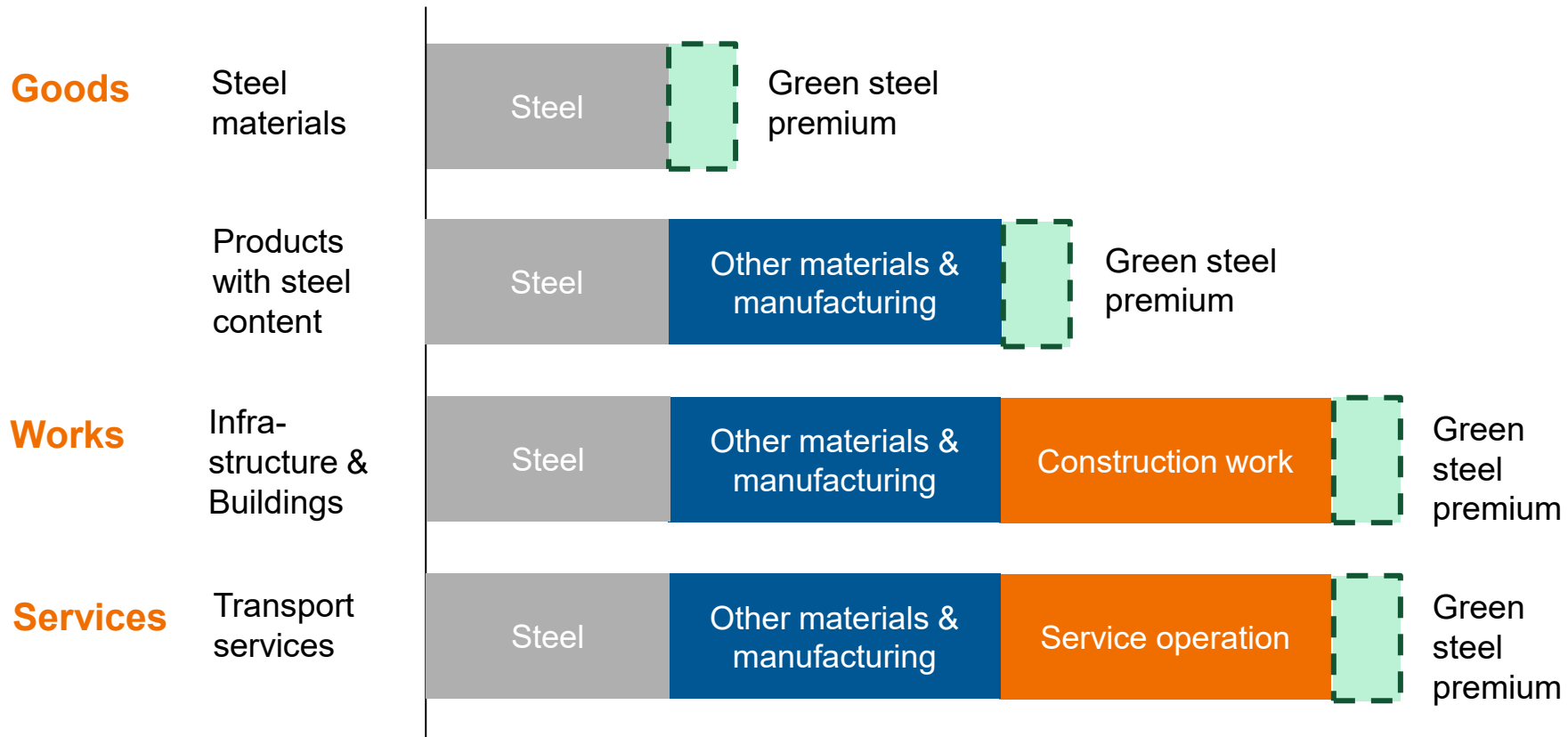
Steel use in public procurement of construction as share of real steel use economy wide (% , 2019)



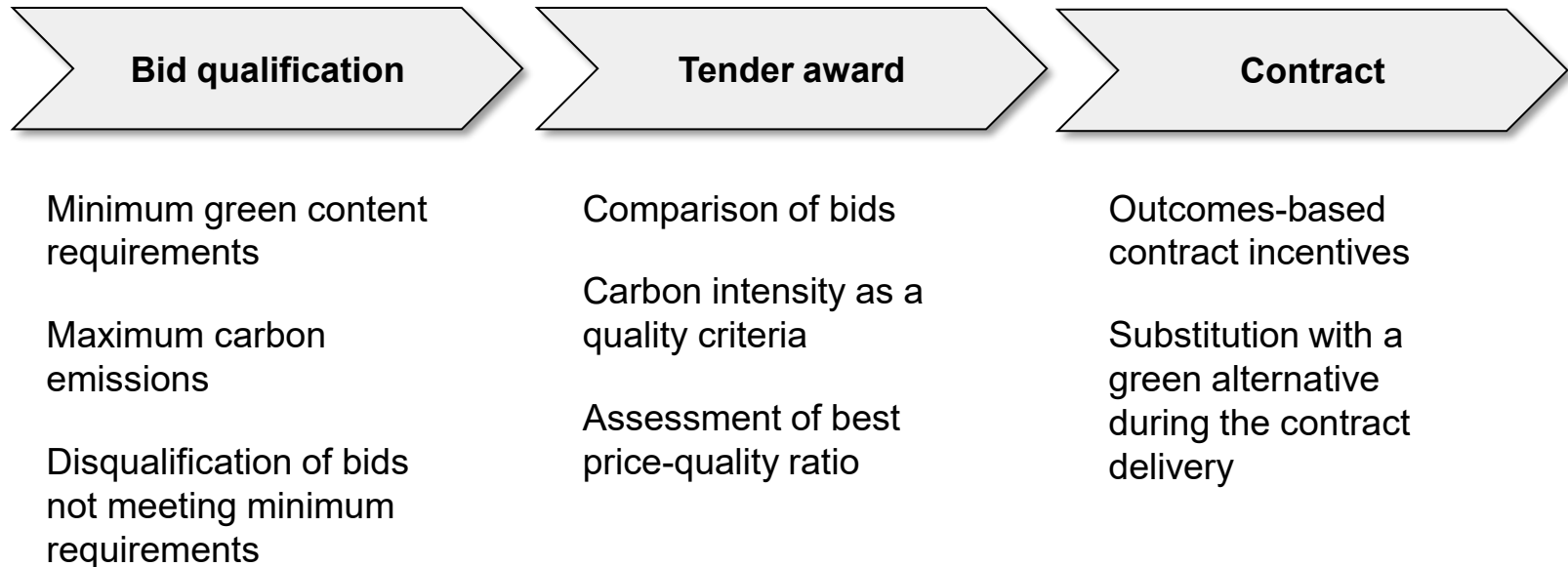
Public procurement
accounts for **11 %**
of steel consumption in
construction.

Source: Wyns et al. 2024: Public procurement of cement and steel for construction. Brussels School of Governance.

Impact of green premium on price



Sustainability requirements in public procurement



Information needs

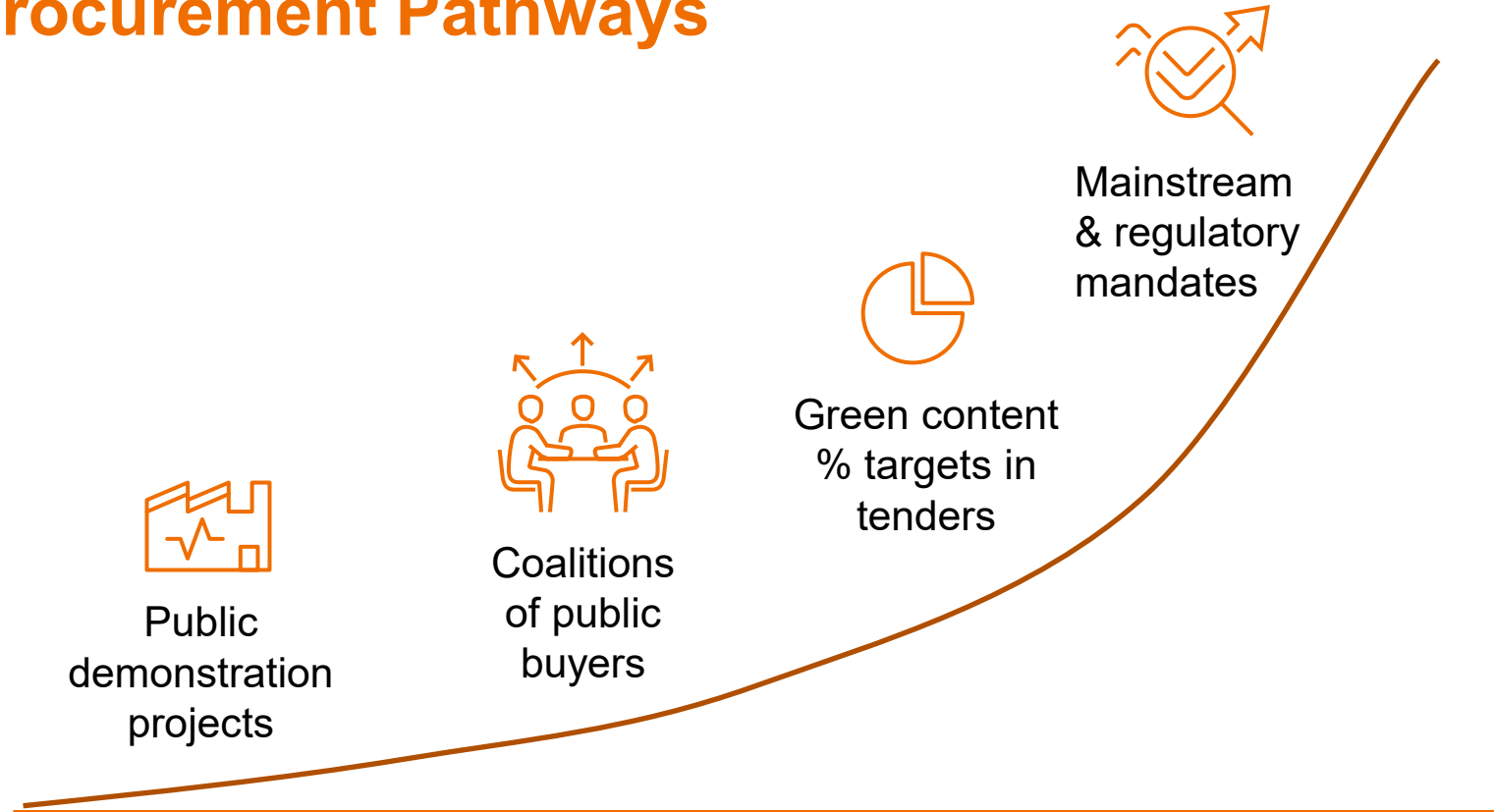
Tender evaluation

- Fair and transparent treatment of bidders requires objective verification of proposals
- Tender requirements must enable comparison of competing bids
- Carbon accounting standards, labels, and digital product passports (DPP)
- Procurement criteria template libraries

Reporting

- Average product category values are commonly used for when aggregating data to organisation-level carbon footprint
- Emission calculation practices and information systems should account for green sourcing decisions
- In construction works, building information models (BIM) enable granular accounting based on construction materials EPD's.

Procurement Pathways



Towards a lead market for green steel

Goals: Amplify demand signals and accelerate market formation.

Mandate: Ambitious climate objectives and implementation roadmaps.

Incentives: Green investment support to public authorities. Lower the threshold to pay the green premium.

Coalitions: Engage first movers with capability and willingness to lead the way.

Segmentation: Identify product categories where small relative increase (+%) in contract value will yield large emissions reductions (-%).

Measurement: Carbon accounting methods, standards, tender criteria templates, product labels and digital product passports.

Gradual progress: Stepwise increase of green steel content requirements in public procurement across categories of goods and services.

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the obvious

Thank you!

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