



**Pre-funded and Purchase Order STAC overview**

**April 2024**

**DRAFT**

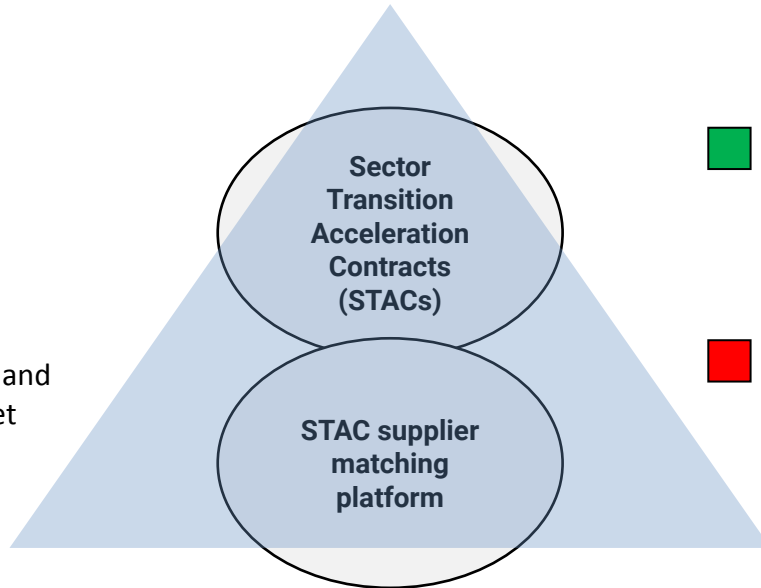
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# Scope 3 Impact Delta meets the needs of three parties at the same time, to unlock transition finance at scale

HAS  
NEEDS

**National Government or Donor\***  
(catalytic capital/subsidy provider)

- Has capital to accelerate transition + realizes that decarbonization later is costlier than now
- Needs auditable subsidy targets to progress on national transition goals, and scalable/replicable market mechanism for funding



- Has the ability to install an electric arc furnace that can use 100% recycled steel, and runs on fossil-free power
- Needs a large purchase commitment to invest in at-scale production facility, to drive costs to parity with regular cement

**VerdeSteel**  
(supplier)

*\* a catalytic capital provider may not be needed in all cases. With a STAC in place from an offtaker, a supplier may be able to raise financing from mainstream providers*

Credibility of STACs maintained by

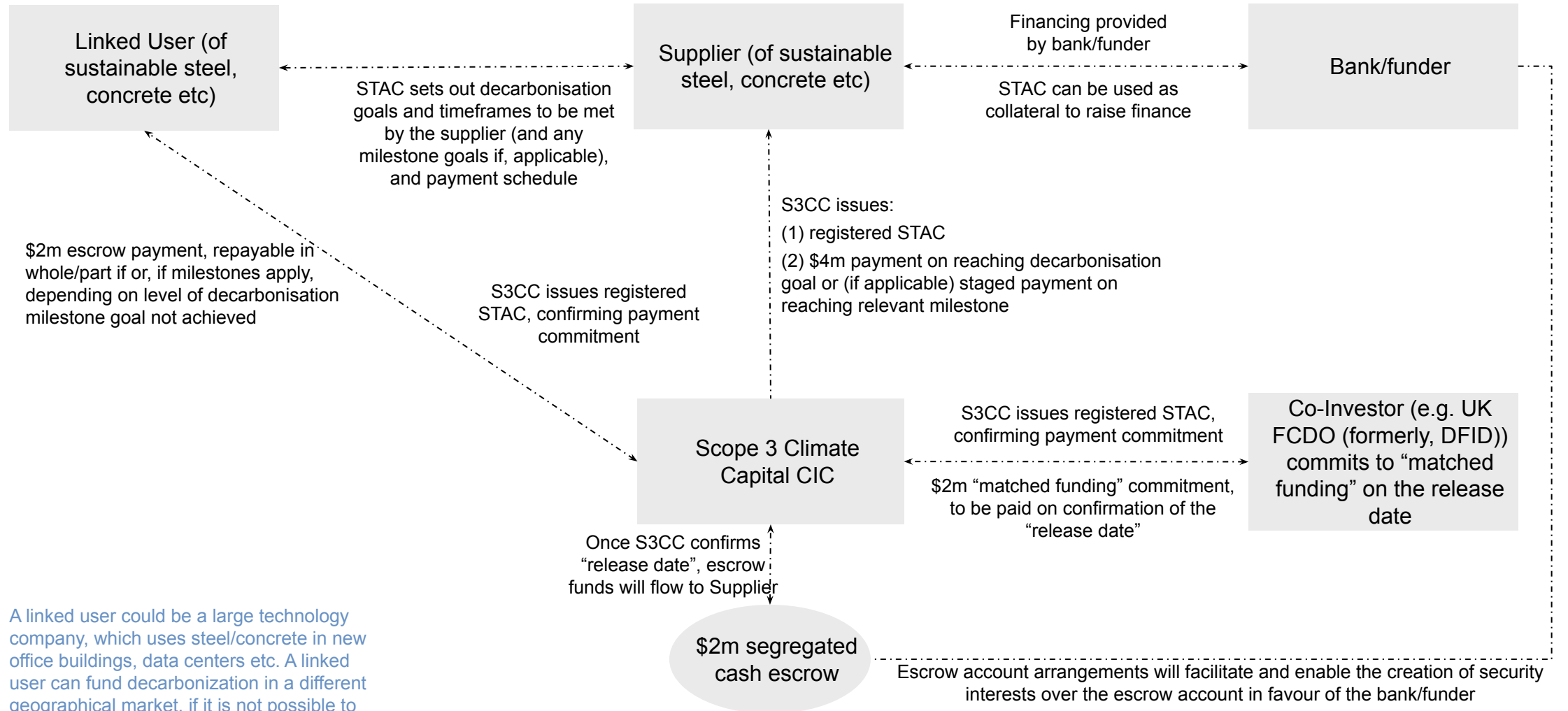
**Review Committee** - comprised of scientific experts equipped to apply evolving decarbonization principles

**Audit Partners Group** – comprised of global audit firms, equipped to verify decarbonization claims made by entities on the platform

**TowerBuild**  
(buyer)

- Has spending power to change incentives of suppliers, if costs are reasonable
- Needs to reduce embodied carbon intensity new developments by 25% per m2 of floor area, to meet building codes or requirements from tenants

# Scope 3 Market Mechanism: Option 1, Pre-funded STAC



A linked user could be a large technology company, which uses steel/concrete in new office buildings, data centers etc. A linked user can fund decarbonization in a different geographical market, if it is not possible to deliver green cement/steel in a given location

# Scope 3 Market Mechanism: Option 2, Purchase Order STAC

