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A SINGLE
FRAMEWORK FOR
DEFINING LOW
EMISSION STEEL
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Ensuring fairness in steel decarbonization: a single framework for defining low emission steel

Summary

The European Union's commitment to achieving net-zero emissions by 2050 necessitates a critical evaluation of current steel decarbonization strategies and defining low emission steel, a process that is being advanced, in part, through its Action Plan for the steel and metal sectors. The GSCC Steel Climate Standard is a technology-neutral standard that offers an equitable and effective pathway to decarbonize the steel industry by:

- **Applying uniformly across all production methods globally**, thus ensuring a level playing field and encouraging innovation in low-emission technologies.
- Aligning with the Paris Agreement and setting **clear, science-based emission reduction targets** for accurate emissions accounting.
- Delivering **transparency with third-party verification** to ensure accountability.

This is in contrast to a "sliding scale" approach that adjusts emission thresholds based on production methods, thereby incentivizing higher emission steel production that undermines the EU's climate objectives.

Advantages of the GSCC Standard

Currently, the GSCC Standard is the **only low emission steel standard in the marketplace that combines corporate-wide emission reduction targets with product measurement** that defines low emission steel based on a product's carbon footprint.

Furthermore, to support a **truly sustainable transformation of the steel industry**, any climate standard must be ambitious, credible, transparent and globally consistent. The GSCC Steel Climate Standard[1] is designed with these principles in mind, offering multiple advantages that position it as a strong foundation for future steel decarbonization efforts:

- **Technology-neutral benchmarking:** The GSCC standard is a single, technology neutral framework applying to all producers equally regardless of global location and product method. It recognizes that **each company has a unique decarbonization pathway**, thereby ensuring a fair and equitable journey to net zero while accelerating innovation and deployment of a wide-range of technologies for the low-emission steel transition.
- **Science-based targets:** Committed to achieving the Paris Agreement's 2050 vision, the Steel Climate Standard obligates GSCC members to set interim (*e.g.,* 2030) and long-term (*e.g.,* 2050) goals for corporate-wide emissions reduction efforts to eliminate cimate action in one facility to offset zero action in another. The Standard aligns fundamentally with prevailing climate science, starting with the International Energy Agency's projections for steel industry emissions to achieve net zero. The Standard incorporates existing ISO and GHG Protocol frameworks[2] and fills some

[1] Learn more about the Steel Climate Standard at https://globalsteelclimatecouncil.org/the-standard/.
[2] ISO 14064-1:2018, *Greenhouse Gases – Part 1: Specification With Guidance At The Organization Level For Quantification And Reporting Of Greenhouse Gas Emissions And Removals*; GHG Protocol *Corporate Accounting and Reporting Standard*;

carbon accounting gaps to yield a conservative yet true assessment of a company's overall average emissions intensity.

- **Defining low emissions steel:** Steel users and end-product consumers simply want to know the carbon footprint of the raw materials they are using and if they are considered green. The GSCC Standard aligns fundamentally with prevailing climate science, starting with the International Energy Agency's steel industry emissions averages and industry projections for achieving net zero. The Standard incorporates existing ISO and GHG frameworks[3] and fills some carbon accounting gaps to yield a conservative yet true assessment of a product's carbon footprint. Furthermore, the Standard presents slightly different definitions of low emission steel for flat and long products because of the differences in their chemical compositions (*i.e.,* flag products require a slightly higher iron ore content).
- **Transparency:** Third-party verification of emissions data is mandatory to prevent greenwashing and build stakeholder trust. Companies are also required to conduct annual self-audits to show continuous decarbonization progress from day one, to publish their emissions cutting strategy along with the data, and to annually demonstrate that not only are their product emissions declining that they remain in compliance with the definition of low emissions steel.

In sum, by providing a consistent, universal framework, **the GSCC standard facilitates climate action through real and measurable emissions reduction**, which is essential for the success of the EU's industrial decarbonization strategy.

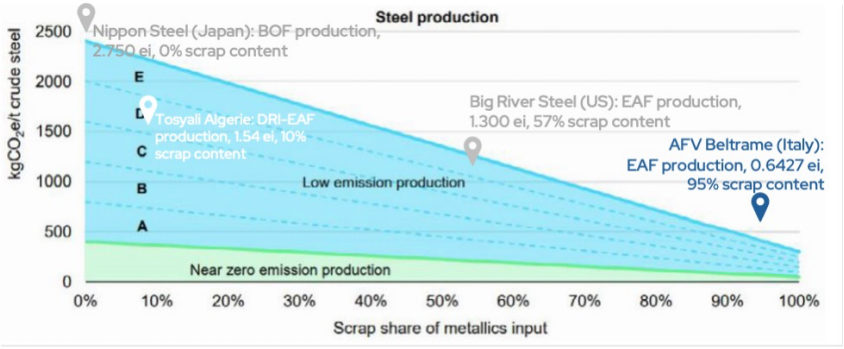
Key issues with the Sliding Scale Approach

In contrast, the sliding scale approach to emissions accounting poses significant challenges to the integrity and effectiveness of climate action in the steel sector. Its design risks institutionalizing inefficiency, undermining fairness, and weakening public trust:

- **Perpetuation of high emissions:** The sliding scale allows certain high-emitting steel producers to assert "green" claims even when they emit up to nine times more CO_2 than the most efficient steel producers for the same product. This effectively institutionalizes higher emissions and disincentivizes rapid decarbonization and innovation.
- **Market distortion:** By setting variable emission thresholds, the sliding scale creates an uneven playing field, promoting slow progress while also disadvantaging producers that have invested in cleaner technologies.
- **Greenwashing risks:** The sliding scale misleads stakeholders by presenting high-emission steel as "green," thereby eroding trust and transparency in sustainability claims, including for those that have a legitimate assertion to such a label.

[3] GHG *Protocol Product Life Cycle Accounting and Reporting Standard*; ISO 14040:2006, *Environmental management – Life cycle assessment – Principles and framework*; ISO 14044:2006, *Environmental management – Life cycle assessment – Requirements and guidelines*; ISO 14067: 2018, *Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification*

In **comparing the carbon footprint of steel reinforcing bar by production method** – particularly by suppliers outside of the European Union – it is noted that steel from higher emissions production with low scrap content would be categorized as 'green' on the sliding scale. Thus, products that actually are more sustainable with lower emissions and higher scrap content—and made in the European Union—would be ineligible, for example, for public procurement projects if the sliding scale were the criteria for sustainable steel purchases.



ei – emissions intensity

Call for action

To achieve its climate goals and ensure fairness in the global steel market, the European Union must adopt a single, transparent, and science-based approach to incentivizing decarbonization in the steel sector and defining low emissions steel based on carbon footprints. We urge EU institutions and national governments to recognize a framework such as the GSCC Steel Climate Standard as a credible global benchmark – and as a solid foundation for defining what qualifies as "green" or "low emission" steel.

A clear, performance-based definition is essential. Without it, there's a growing risk of market distortion, greenwashing, and weakened climate credibility.

By adopting a unified emissions standard and clarifying sustainability claims, Europe can reinforce its industrial climate leadership, protect innovation-driven producers, and accelerate the transition to a truly low-carbon economy.

Who are we?

As the world faces the urgent need to lower greenhouse gas (GHG) emissions, the Global Steel Climate Council (GSCC) is **leading efforts to decarbonize steel production** by promoting **investments in lower-emission technologies** and aligning with the 2015 Paris Climate Agreement's net-zero goals. The GSCC is a non-profit, **international coalition of steel producers and stakeholders** committed to achieving a 1.5°C scenario by the year 2050 by advancing climate strategy that shares best practices, establishes standards and advocates for carbon emissions reductions by members of the steel industry.

Although steel producers are at different stages of decarbonization, GSCC members are united in their commitment to sustainable production. Technological solutions already exist that can reduce global steelmaking emissions by over 70%, with promising innovations like hydrogen-based ironmaking and carbon capture on the horizon.

To enable this transformation, a **single, transparent, science-based global standard is essential**—one that measures actual emissions regardless of production method. The GSCC Steel Climate Standard meets this need by offering a technology-neutral, verifiable framework that holds all producers equally accountable, incentivizes innovation, and is already driving real emissions reductions 15% by 2030 and to net zero by 2050.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