

Public Procurement Directives Revision

Defining Climate Value in Steel Procurement



Global Steel
Climate Council®

Public Procurement Directives Revision: Strategic sectors require strategic procurement

The European Parliament is preparing an [Own-Initiative Report](#) (INI) on public procurement, which will establish the Parliament's political direction ahead of the upcoming revision of the EU Procurement Directives. Although non-binding, this report could strongly influence the European Commission's legislative proposal expected in Q3 2025.

The Global Steel Climate Council Inc. (GSCC) position is the following:

1. Public procurement as a driver of industrial decarbonisation.

Public procurement accounts for around 14% of EU GDP and is a powerful tool to steer markets towards sustainability. In emissions-intensive sectors like steel, procurement rules can create long-term demand signals for low-emission technologies. **The INI should acknowledge the importance of procurement in scaling clean steel markets and accelerating the deployment of low-carbon technologies across the EU and globally.**

2. Climate transparency and fairness: the need for a green steel definition based on verifiable standards.

The absence of a clear definition for what constitutes "green" or "low emission" steel—combined with the lack of harmonised, science-based climate criteria in public procurement—enables high-emission steel to be misleadingly classified as "green" or "sustainable." This not only undermines the credibility of climate objectives but also distorts competition by placing genuinely low emission producers at a disadvantage. The INI should call for a green steel definition that is based on:

- Mandatory **climate-based procurement criteria** in strategic sectors
- The use of a single, transparent, and science-based framework—such as the GSCC Steel Climate Standard—to measure and compare **product carbon footprints** across all suppliers, regardless of production method or geography.

3. Technological neutrality.

While the INI draft criticises preferential treatment for green technologies, **GSCC supports a technology-neutral approach only if it is anchored in measurable climate outcomes.** Procurement rules must reward verified low emission performance, not merely treat all technologies equally without regard to impact.

4. Value for money must include climate value.

The INI rightly calls for a coordinated and pragmatic approach between EU institutions and Member States, grounded in transparency, accountability, and economic rationality. Public procurement must continue to ensure value for taxpayers, but this **value must now reflect long-term objectives such as supply chain resilience, climate alignment, and technological leadership**.

CALL FOR ACTION: Strategic sectors require strategic procurement that stimulates low emissions steel production.

In conclusion, the GSCC's key recommendations for public procurement that drives purchases of low emissions steel, thereby scaling lead markets and accelerating low emissions steel production, are the following:

- **Introduce a green steel definition into public procurement policy that is based on binding, science-based emissions criteria** for emissions-intensive sectors, as part of the "Most Economically Advantageous Tender" (MEAT) principle.
- **Support within the definition the integration of credible, transparent benchmarks** like the GSCC Steel Climate Standard to eliminate greenwashing and reward genuine decarbonisation.
- **Clarify the role of technology neutrality** within the definition to ensure it does not obstruct meaningful differentiation based on emissions intensity and innovation outcomes.
- **Promote a European strategic procurement framework** that aligns with climate goals, industrial resilience, and social cohesion—turning procurement into a key pillar of EU strategic autonomy.

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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