ResponsibleSteel GHG Requirements Finalisation
Meeting 5: Revised Proposal for three performance levels
Revised proposal: three performance levels in place from 2022 to 2035

1. There are three specified performance levels:
   - RS certified steel
   - RS certified ‘lower embodied carbon’ steel
   - RS certified ‘Near Zero’ steel

2. The RS certified steel threshold is set to include 50% of ‘high iron ore content’ producers, and a somewhat greater proportion of ‘high scrap content’ producers based on current day performance data.

3. The ‘Near Zero’ threshold is set based on minimum practicable emissions for steelmaking: around 500 kg/tonne at 100% iron ore, and around 200 kg/tonne at 100% scrap. If this is offset, it would define ‘Net Zero’ steel.

4. The ‘Lower embodied carbon’ threshold is set to recognise the lowest current day GHG emissions intensity steel: around 1900 kg/tonne at 100% iron ore, and around 400 kg/tonne at 100% scrap.

5. The exact levels will be discussed with our members and with other initiatives, such as SteelZero and the ‘Net Zero Steel Initiative’.
Basis for the revised proposal

- The basic 50% threshold represents an acceptable compromise between civil society and business, balancing incentive (certification, claims) with disincentive (inability to meet RS certified steel customer specs)
- A shallower gradient is proposed, recognizing the arguments that have been put forward to favour the low GHG emissions associated with high scrap-based steelmaking
- The ‘Near Zero’ threshold establishes the level of emissions that we are all aiming to achieve, before offsetting is taken into account. ‘Net Zero’ can then be defined as steelmaking that achieves this level of performance, with any remaining emissions offset in accordance with recognised standards. These terms need to be defined to recognise and reward the leadership of the first steelmaking sites to achieve this level of performance.
- The ‘RS low embodied carbon steel’ threshold recognises and rewards today’s lowest emission steelmakers. It will also reward steelmakers for introducing technologies such as carbon capture and storage, whose introduction is critical to proposed transitions to net zero by 2050
- All levels are eligible for promotion using a ‘ResponsibleSteel certified steel’ logo. Downstream programmes and specifiers will be encouraged to recognise the different levels of performance but are not obliged to if they prefer not to.
Revised proposal: mid-term revision to be applied in 2035

1. Thresholds will be reviewed and revised mid-way to 2050:
   - **2032**: In 10 years time the thresholds are reviewed
   - **2033**: New thresholds are finalized
   - **2035**: New thresholds are applied after a transition period

2. As a default proposition for consideration at the time:
   - The ‘Net Zero’ steel threshold would remain the same
   - The RS certified steel threshold would be changed to the same level as the ‘old’ ‘Low embodied carbon’ threshold
   - A new ‘Lower embodied carbon’ threshold would be introduced between the new RS certified steel and the ‘Net Zero’ threshold

3. The exact levels will be agreed by the ResponsibleSteel membership at the time together with the detail of the transition arrangements
Basis for the mid-term revision

1. Reducing the basic threshold as proposed would be in line with the earlier ‘Option A’, for a dynamic reduction of a single threshold, supporting progress in line with the 2050 objective.

2. If it is not revised, over time the ‘basic’ threshold for ResponsibleSteel certification will allow continued participation in the ResponsibleSteel programme for sites which are significantly behind the curve in relation to the level of GHG emissions needed to reach net zero by 2050.

3. The timing of the proposed mid-term revision will be known well in advance, and together with the associated transition period this allows steelmakers as well as their customers to plan on this basis. In contrast if thresholds are subject to change every 5 years performance thresholds would be in a near continual state of transition.

4. The revised option continues to differentiate, encourage and reward leadership on the journey towards net zero.
Revised proposal: 2050 revision

1. We do not know what the world, and steelmaking, will look like in 2050
2. If we are close to achieving our goals for emissions reductions for the steel sector we should need just one threshold: all ResponsibleSteel certified steel will be ‘Near Zero’ and ‘Net Zero’
3. We do not need to debate this decision now. It will be for our successors to consider at the time.