ResponsibleSteel GHG Requirements:
Criterion 8-4, GHG accounting

25th January 2022, 4.00pm – 5.30pm (GMT)
26th January 2022, 06.30am – 8.00am (GMT)
Antitrust statement

ResponsibleSteel™ is committed to complying with all relevant antitrust and competition laws and regulations. Failure to abide by these laws and regulations can potentially have extremely serious consequences for ResponsibleSteel™ and its members, including heavy fines and, in some jurisdictions, imprisonment for individuals. ResponsibleSteel™ has therefore adopted an Antitrust Policy, compliance with which is a condition of ResponsibleSteel™ membership and participation. You are asked to have due regard for this Policy today and indeed in respect of all other ResponsibleSteel™ activities.

1. Schedule overview
2. GHG accounting rules – Criterion 8.4
Overview of next steps

**January and February:** Members to review internally. ResponsibleSteel Secretariat to discuss the draft with members in 1:1 and small group calls, as requested.

**ResponsibleSteel Secretariat** to publish proposed revisions to Draft 2-1 on an ongoing basis through a ‘track changes’ document accessible through the internet.

**ResponsibleSteel Secretariat** to convene discussions with broader membership to resolve issues as required.

**03 March:** ResponsibleSteel Secretariat circulates final draft proposals to members and presents the proposals on an online webinar.

**03 to 17 March:** Members to carry out final review.

**From 17 March:** ResponsibleSteel Board to review process in accordance with the ResponsibleSteel Standard Development Procedure v2-0 (June 2020) and determine whether the Standard should be submitted to membership for vote on approval.

**11 April:** Final version circulated to ResponsibleSteel members for vote on approval.

**30 April:** Completion of membership vote.

**May:** Board ratification, with decision to be announced at the ResponsibleSteel AGM (date to be announced).
Virtual meetings summary (all times GMT)

January
- **Mon 24 Jan: 16.00 – 17.30**: Upstream Scope 3 emissions (including default data)
- **Tue 25 Jan: 08:00 - 09.30**: Upstream Scope 3 emissions (including default data) – repeat session
- **Tue 25 Jan: 16.00 – 17.30**: GHG accounting rules, Criterion 8-4
- **Wed 26 Jan: 06:30 - 08.00**: GHG accounting rules, Criterion 8-4 – repeat session
- **Thur 27 Jan: 10.00 – 11.30**: Stainless/High Alloy Steel sub-group

February
- **Tue 1 Feb: 08:00 - 09.30**: Upstream Scope 3 emissions (including default data) – **repeat session at 16.00 – 17.30**
- **Wed 2 Feb: 08:00 - 09.30**: GHG accounting rules, Criterion 8-4 - **repeat session at 16.00 – 17.30**
- **Thur 3 Feb: 10.00 – 11.30**: Stainless/High Alloy Steel sub-group
- **Thursday 10 Feb: 08.00 – 09.30**: to present draft 2-2 and identify requirements that are still not resolved – repeat session at 16.00 – 17.30
- **Thursday 17 Feb: 10.00 – 11.30**: webinar session for all interested RS members to work through any remaining unresolved GHG issues.
- **Thursday 24 Feb: 10.00 – 11.30**: webinar session for all interested RS members to work through any remaining unresolved GHG issues.

March
- **Thursday 3rd March: 07:00 – 08:30**: webinar presentation of the final draft of GHG + input materials requirements for ‘certified steel’ – repeat session at 16.00 – 17.30
1. Schedule overview
2. GHG accounting rules – Criterion 8.4
Context:

- C8.3 for ‘certified sites’ requires that sites measure their GHG emissions in accordance with a recognised international and/or regional standard. GHG Protocol, EN 19694 and ISO14404 are all currently recognised.
- There must systems in place to:
  - Measure and verify direct (Scope 1 emissions)
  - Estimate GHG emissions associated with generation of electricity, heat and steam imported from outside the site boundary (Scope 2 emissions)
  - Estimate upstream Scope 3 GHG emissions
- C8.3 is intentionally flexible – the logic is that the specified requirements are sufficient for certified sites, and as the basis for site specific GHG reduction target setting and reporting, when the focus is on the site itself over time, rather than on comparisons between different sites.
- However, for steel certification, where the focus is comparisons between different sites (or groups of sites, in the case of averaging) it is critically important to ensure international consistency and comparability.
- To sell their steel as ResponsibleSteel ‘certified steel’, sites must meet the additional specifications of C8.4. These are intended to be more specific and in some cases to go beyond the minimum requirements of GHG Protocol, EN 19694 or ISO14404.
Approach needs to be:

**Practicable:** should not impose excessive costs on steelmakers, and should align with existing approaches so long as these are compatible with other requirements.

**Consistent:** internationally, but also consistent across steelmakers with different site configurations or making steel through different production routes.

**Inclusive:** the approach should include all significant upstream emissions so that it provides a true comparison of crude steel GHG emissions intensity between different sites.
Agreement in principle:

- Generally high level of support for general approach of Criterion 8.4
- The basis for determining the GHG emissions intensity of steel should take a ‘mine to crude steel’ approach (Scope 1, Scope 2 and upstream Scope 3; end point for comparison is crude steel)
- R8.4.4 and R8.4.5 agreed
Key issues for finalisation:

• Independent verification of data (8.4.1.a)
• Scope of greenhouse gases to be included (8.4.1.b)
• Definition of crude steel (8.4.2.b):
  **Crude steel:** Steel in the first solid state after melting, suitable for further processing or for sale. Synonymous with raw steel. (source: worldsteel)
  **Guidance:** For the purpose of determining the ResponsibleSteel GHG emissions intensity for crude steel, crude steel production is measured at the point that continuous casting or ingot casting has been completed, and prior to any further processing such as roughing or hot rolling. The same point is used as the boundary for determination of the GHG emissions intensity for the crude steel production. ‘Tonnage’ means ‘production tonnage’ to this point, and not ‘financial tonnage’.

• Upstream Scope 3 (8.4.3) [separate discussion stream]
Key issues for finalisation:

- 8.4.6: GHG accounting rules for determination of GHG emissions intensity performance:
  a. GHG offsets not recognised
  b. GHG emissions not reduced in relation to co-products/ by-products
  c. Pro-rata reductions applicable when intermediate products (e.g. coke, pig iron) are exported from the site
  d. Energy for on-site processing downstream of crude steel production not to be included in determination of GHG emissions intensity: reduction for imported energy (scope 2) when used downstream, but not for the downstream re-use of energy generated upstream
Key issues for finalisation:

- **8.4.6**: GHG accounting rules for determination of GHG emissions intensity performance (cont):
  
  e. Carbon Capture and Utilisation (CCU): carbon that is captured on site and exported as a feedstock for subsequent production not counted for the site’s GHG emissions intensity, but must be publicly reported
  
  f. Exported energy: GHG emissions intensity not reduced when excess energy (e.g. electricity, heat, steam) is exported from the site
  
  g. Carbon Capture and Storage (CCS): on- or off-site CCS not counted towards GHG emissions intensity when justified as being permanent in a public report which:
     
     • quantifies the claimed emissions captured
     • describes the technology used for storage
     • justifies the claim that the stored emissions will not be released for a minimum 100-yr time horizon
Key issues for finalisation:

- 8.4.6: GHG accounting rules for determination of GHG emissions intensity performance (cont):
  
  h. Emissions associated with exported waste: must be estimated and included in the GHG emissions intensity calculation
  
  i. Downstream indirect (Scope 3b) emissions are excluded from the GHG emissions intensity calculation

- 8.4.7: GHG accounting rules applicable to carbon footprint calculations
  
  - Cover the same set of issues as for the GHG emissions intensity determination
  
  - Defer to the rules of the applicable international or regional standard
  
  - In some cases (e, f, g) specify a requirement for disclosure as part of the product epd