

SteelZero FAQs

What is SteelZero?

SteelZero, by the [Climate Group](#) and [ResponsibleSteel](#), is an initiative to drive market demand for net zero steel by building a united group of leading organisations – steel buyers, specifiers and others - to support this transition.

SteelZero launched on 1st December 2020.

Steel is the world's most widely used material and the steel sector represents 7% of global CO₂ emissions. These are forecast to grow from 2.3 GT of CO₂ to 3.3GT in 2050 with business-as-usual.

However, the technologies already exist for a net zero emissions steel sector by mid-century.

Corporate and public sector demand for low emissions steel has a particularly critical role to play in reducing emissions: encouraging new low emissions steel production technologies as well as driving lower emissions from recycled steel and the re-use of steel-based products.

SteelZero is the first initiative which focusses on driving demand for net zero steel. SteelZero and its committed leading organisations will send a powerful signal to steel producers, investors and policymakers to accelerate the transition to widescale production of net zero steel.

Who are the Climate Group?

The [Climate Group](#) drives climate action. Fast. Our goal is a world of net zero carbon emissions by 2050, with greater prosperity for all. We focus on systems with the highest emissions and where our networks have the greatest opportunity to drive change. We do this by building large and influential networks and holding organisations accountable, turning their commitments into action. We share what we achieve together to show more organisations what they could do. We are an international non-profit organisation, founded in 2004, with offices in London, New Delhi and New York.

Who are ResponsibleSteel?

[ResponsibleSteel](#) is an international, not for profit membership organisation. Its mission is to maximise steel's contribution to a sustainable society. ResponsibleSteel is the industry's first global multi-stakeholder standard and certification initiative.

With members from every stage of the steel supply chain, ResponsibleSteel is developing an independent certification standard to ensure businesses and consumers can be confident that the steel they use has been sourced and produced responsibly at every stage.

Who can join SteelZero?

Organisations who join SteelZero are either companies that procure steel, public procurement bodies, specifiers of steel such as designers and engineers, or organisations involved in the steel supply chain at any stage after the production of crude steel.

What do organisations commit to?

Organisations that join SteelZero must be willing to make a public commitment to procuring, specifying or stocking 100% net zero steel by 2050. The full criteria is set out in the SteelZero Commitment Framework, however a summary of the minimum commitment criteria includes a long term commitment to procure 100% net zero steel by 2050; and an interim commitment to procure 50% of its steel requirement by 2030, meeting one or a combination of:

- ResponsibleSteel™ Certified Steel, or equivalent
- Steel produced by a steelmaking site where the site's corporate owner has medium-term, quantitative science-based GHG emissions target for the corporation
- Low Embodied Carbon Steel, with a defined specific emissions intensity which takes into account the proportion of end of life scrap

Organisations are encouraged to commit to the most ambitious, credible target that fits with their strategy and may go beyond the minimum commitment criteria.

Can steel producers join SteelZero?

SteelZero is a demand side initiative which will send a powerful signal to steel suppliers that key users of steel are willing to procure net zero steel. Steel producers would not sign up to the SteelZero commitment however SteelZero will engage steel producers directly to share the message from demand side businesses and steel producers may be involved in complementary working groups to support the transition to net zero steel.

What does SteelZero aim to achieve?

SteelZero aims to accelerate the decarbonisation of crude steel production. Individual steel users – even the biggest – find it hard to influence steel production on a global scale. SteelZero will help amplify their voices, and demonstrate the scale of demand net zero steel, giving confidence to suppliers to make the necessary investments for its production. SteelZero and its committed leading organisations will send a powerful signal to steel producers, investors and policymakers to accelerate the transition to widescale production of net zero steel.

How does SteelZero fit in with the work of ResponsibleSteel?

SteelZero is a project run jointly by the [Climate Group](#) and [ResponsibleSteel](#). It is a separate initiative to the development of the ResponsibleSteel standard, however the SteelZero commitment references the procuring/specifying of ResponsibleSteel™ Certified Steel as one of the options for the interim commitment.

Who are the current members?

The first organisations have signed up to SteelZero during October and November 2020 and SteelZero held a public launch event on 1st December 2020. The list of committed organisations can be found [here](#).

What are the benefits of joining SteelZero?

Current steel production methods are globally carbon intensive. The emissions associated with steel production can account for a significant proportion of an organisation's supply chain emissions. Joining SteelZero will send a powerful signal to steel producers to accelerate the transition to widescale production of Net Zero Steel. This will assist leading organisations in meeting their wider decarbonisation targets.

SteelZero will provide a platform for leading organisations, their peers and suppliers to come together and address some of the barriers currently faced in their steel supply chains. Organisations will be invited to join working groups to assist them in developing a roadmap to fulfil their commitment to net zero steel - working groups will be driven by the needs of members and co-ordinated by SteelZero.

As consumers and clients continue to become increasingly climate-conscious, businesses showing they are at the forefront of addressing their supply chain emissions, including embodied emissions can gain significant competitive advantage.

Why sign up to SteelZero when we already have a broader net zero commitment?

A growing number of organisations are setting net zero commitments, some of which include the emissions from their supply chain. A broad net zero commitment is important however when looking at specific materials. It may be that an organisation may make progress towards their net zero commitment by either using less of a material or substituting one material for another. Total greenhouse gas emissions from the steel sector alone account for around 7% of annual global emissions and global end-use demand for steel is projected to grow by almost 40% by 2050. It is important that users of steel send a clear message that they ultimately wish to procure net zero steel.

Signing up to the SteelZero commitment can complement existing net zero commitments as the ongoing working groups can assist organisations in developing a roadmap to fulfil their commitment

to Net Zero Steel with the opportunity to share best practices to achieve the highest standards of sustainability.

Why does SteelZero focus on decarbonisation of crude steel? What about other emissions and wider sustainability issues?

The SteelZero commitment focuses on the decarbonisation of crude steel production to send a clear message to steel producers and policymakers that crude steel production needs to accelerate towards net zero. We recognise that there is great scope to tackle wider emissions within the steel supply chain and broader sustainability issues. The SteelZero working groups provides the opportunity to address these issues and may include topics such as efficient design practices, fabrication, the shift towards the circular economy and improving the quality of emissions data that flows through the supply chain. Working groups will be driven by the potential for driving emissions reductions and the needs of members, and will be co-ordinated by SteelZero.

What reporting is required?

Organisations are required to report to the Climate Group annually on their progress towards their SteelZero commitment. Information reported will include summaries of the quantity and embodied carbon of steel procured and will be aligned with existing standards. Additional information may be requested to clarify an organisation's progress towards their commitment.

Who can join the SteelZero working groups?

Organisations who join SteelZero are either companies that procure steel, public procurement bodies, specifiers of steel such as designers and engineers, or organisations involved in the steel supply chain at any stage after the production of crude steel. Working groups are established in discussion with SteelZero members, with work programmes focussed on members' needs.

The first working group established by SteelZero is for the Construction and Property sector. This group regularly meets with participants from representatives covering all key areas of the steel supply chain including architecture firms, engineers, main contractors, fabricators, developers and steel producers and will act as a template for other sectors.

Is the commitment achievable?

The commitment is designed to strike the most appropriate balance between being ambitious for leading companies to demonstrate their commitment to transition to net zero steel whilst also being practical to achieve. Whilst there is limited supply of steel that meets both the interim commitment and the long-term commitment, these commitments are designed to demonstrate the aggregate demand for low and zero carbon steel which in turn producers can accelerate production to ensure the supply is there to meet the growing demand.

What is ResponsibleSteel Certified Steel?

The ResponsibleSteel Standard V1.0 was launched in December 2019, covers 12 principles of sustainability and can be applied to steel producing sites. ResponsibleSteel Certified Steel is steel which is produced by a ResponsibleSteel Certified Site and in addition meets the performance requirements for ResponsibleSteel steel product certification, including the applicable threshold performance level for GHG emissions. These requirements are being developed by ResponsibleSteel throughout 2020 in consultation with ResponsibleSteel members and other stakeholders, with the expectation that they will be finalised and approved in early 2021.

What scope of emissions are included within the net zero 2050 commitment and low embodied carbon steel definition?

Direct GHG emissions from steelmaking sites (scope 1), the indirect emissions of GHGs associated with energy generation (scope 2), as well as other upstream (scope 3a) indirect GHGs of steelmaking are included. Scope 1, 2 and 3 emissions are as referred to in The Greenhouse Gas Protocol.

Why does the SteelZero Commitment Framework reference the ResponsibleSteel Certified Steel and the Science Based Targets initiative?

Within the SteelZero commitment framework, we recognize the need for businesses to demand steel with a low CO₂ footprint whilst also recognising the value in supporting producers who have committed to long term decarbonization through the likes of the ResponsibleSteel standard and the Science Based Targets initiative. These are useful tools to contribute to the message for producers to reach net zero which is supported by the long term commitment to procure 100% net zero steel.

How was the definition of Low Embodied Carbon Steel developed?

SteelZero recognises it is important that all steelmaking production methods are decarbonized. The Low Embodied Carbon Steel threshold is designed so it is technology neutral, however the calculation of the threshold takes into account the proportion of end of life scrap as we recognise that steel produced with greater levels of end of life scrap as an input material will characteristically have a lower footprint than steel with lower levels of end of life scrap. This encourages steel with both high end of life scrap content and steel with low end of life scrap content to be decarbonised.

What is SteelZero's view on scrap steel?

We also acknowledge that whilst increasing the percentage of steel that is recycled at the end of its life can play an important role in assisting the steel industry to reach net zero, it is not the sole answer. A significant proportion of steel is already recycled at the end of its life and current projections show that even with increasing circularity and recycling of steel, demand for primary steel will continue to increase so it is important that all steelmaking production methods are decarbonized which is why within the SteelZero commitment framework the Low Embodied Carbon Steel threshold ensure that both steel with high end of life scrap content and steel with low end of life scrap content needs to be decarbonised.

Why should steel producers accelerate their transition to supplying net zero steel?

According to a [report](#) from CDP in 2019, on average 14% of steel companies' value is at risk from rising carbon prices. Steel producers should take action now to ensure they remain competitive in the decades to come with increasing demand for low CO₂ and net zero steel and an increasing regulatory environment.

Is there a fee for joining SteelZero?

Organisations who join SteelZero prior to 31st December 2020 will be offered free core membership of SteelZero until 31st December 2021.

From 1st January 2022, these organisations may be requested to contribute a fee to support the running of the initiative and associated working groups, depending on other funding streams secured by SteelZero. Any fee would be mutually agreed with continuing members of SteelZero.

Has SteelZero considered competition laws?

We have developed a SteelZero Competition Law Compliance Guidelines to ensure all SteelZero work and participants act in compliance with applicable antitrust and competition laws in respect of all SteelZero activities.

For more information on SteelZero please contact:

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