

STEEL STANDARDS PRINCIPLES

Common emissions measurement methodologies to accelerate the transition to near zero

Endorsed by:



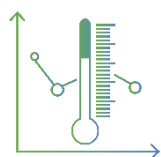
We, the endorsing organizations and stakeholders, on the occasion of COP28:



Recognize that the iron and steel sector accounts for approximately **8% of annual global greenhouse gas (GHG) emissions**, including methane, today and these emissions will need to be reduced by at least 90% for the sector to play a credible role in achieving a net zero energy system and wider economy whilst ensuring equity and a just transition, reflective of different countries' circumstances;



Recognize the importance of world **trade in steel, representing nearly 25% of global steel production** for finished and semi-finished steel products in 2022, and that divergent, fragmented, and incompatible standards and methodologies for measuring GHG emissions can lead to trade and supply chain disruptions, market uncertainty and consumer confusion, increasing the costs of decarbonizing steel production;



Recognize that improvements in **transparency, interoperability, and mutual recognition of methodologies for measuring GHG emissions**, including methane, in iron and steel production and products can promote investment in, and adoption of, innovative near zero emission technologies and near-zero steel products, and ease trade frictions;



Recognize that **different methodologies** may be needed at the project, production, and product levels, but that **interoperability between them will drive faster decarbonization of the steel industry globally**;



Recognize the importance of independent **verification of the resulting** data from the use of such measurement methodologies;



Recognize the role of existing initiatives to drive decarbonization in the iron and steel sector and the need for **greater alignment of the methodologies for comprehensively measuring greenhouse gas emissions** that underpin these initiatives.

In light of these considerations, we endorse the following principles:

- Collaborative and constructive dialogue is needed across developed and developing countries among governments, steel producers and their suppliers, industry associations, initiatives, policymakers, and civil society, to refine the existing emissions standards landscape for steel. Dialogue should follow inclusive, open, and transparent processes that ensures broad representation, market relevance and sharing of good practices;
- GHG emissions measurement standards and methodologies, data collection and disclosure frameworks, at the project, production, and product level, should be interoperable, enable mutual recognition, build on existing international standards, avoid duplication, and be coupled with increased data reporting to improve transparency and global tracking of emissions;
- Emission measurement standards for steel products and production should drive the decarbonization of the global steel industry through performance-based measures that are technology agnostic;
- Standards should be consistent with the WTO Technical Barriers to Trade (TBT) Agreement Code of Good Practice and the TBT Committee's Six Principles for the Development of International Standards, Guides and Recommendations (transparency, openness, impartiality and consensus, effectiveness and relevance, coherence, and the development dimension);¹
- Standards should be consistent with the IEA "Net Zero Principles" for emissions measurement and data collection in efforts to align and achieve interoperability between existing standards, methodologies, and frameworks, and those under development;²
- A common understanding of existing and emerging definitions for near-zero emissions steel production is needed;
- We endeavor to meet at least annually to review progress against these principles and encourage other organizations to adhere to these principles.

¹ See *Decisions and Recommendations Adopted by the WTO Committee on Technical Barriers to Trade* since 1 January 1995, WTO document G/TBT/1/Rev.15, 15 November 2022. See: https://www.wto.org/english/tratop_e/tbt_e/principles_standards_tbt_e.htm

² International Energy Agency (IEA) (2023). *Emissions Measurement and Data Collection for a Net Zero Steel Industry*, Paris: IEA. See: <https://www.iea.org/reports/emissions-measurement-and-data-collection-for-a-net-zero-steel-industry>

This work supports the delivery of Steel Breakthrough Priority Action 1.

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