

The Low Emission Steel Standard (LESS): Current State of Play

ESTEP Workshop on status of Green
Steel Definition

29th January 2025, Brussels

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Agenda

- Green Steel Definition: Where do we come from?
- LESS: Where do we stand and what are the next steps?
- LESS and the policy debate on Clean Lead Markets

Green Steel Definition

Where do we come from

From Stakeholder Dialoge to the Launch of the Low Emission Steel Standard



Guiding principles



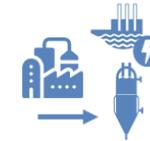
MARKET FRIENDLY

Reflects the step-wise transformation of the steel industry, hereby incentivising shifts in production technology & use of low-carbon energy.



HIGH AMBITION

Near-zero emission steel as the ultimate goal to drive investment in decarbonisation.



DRIVING CHANGE

Incentivises & rewards decarbonisation efforts towards near-zero steel production.



INTERNATIONALLY COMPATIBLE

Enables international trade in CO2-reduced steel. Compatibility and interoperability with international norms and leading standards as e.g. IEA



CIRCULAR ECONOMY

Creates comparability between transformation efforts independent of the metallic input, avoiding hereby harmful races for globally scarce scrap and thus enables deep decarbonization:



CREDEBILITY

Independent third-party verification based on consistent rules and established ISO standards.

22.04.2024 Hannover Fair: Launch of the Low Emission Steel Standard (LESS)



Successful launch of the Low Emission Steel Standard at the Hannover Fair together with the German Vice-Chancellor Robert Habeck



The LESS label



LESS
LOW EMISSION STEEL STANDARD

Classification
Certified according to: LESS-Rulebook
Certificate no.:

Near Zero | Low emission

A | B | C | D

Scrap share XXX %

Product Carbon Footprint
Certified according to:
Certificate no.:

XXX kg CO₂e /t product

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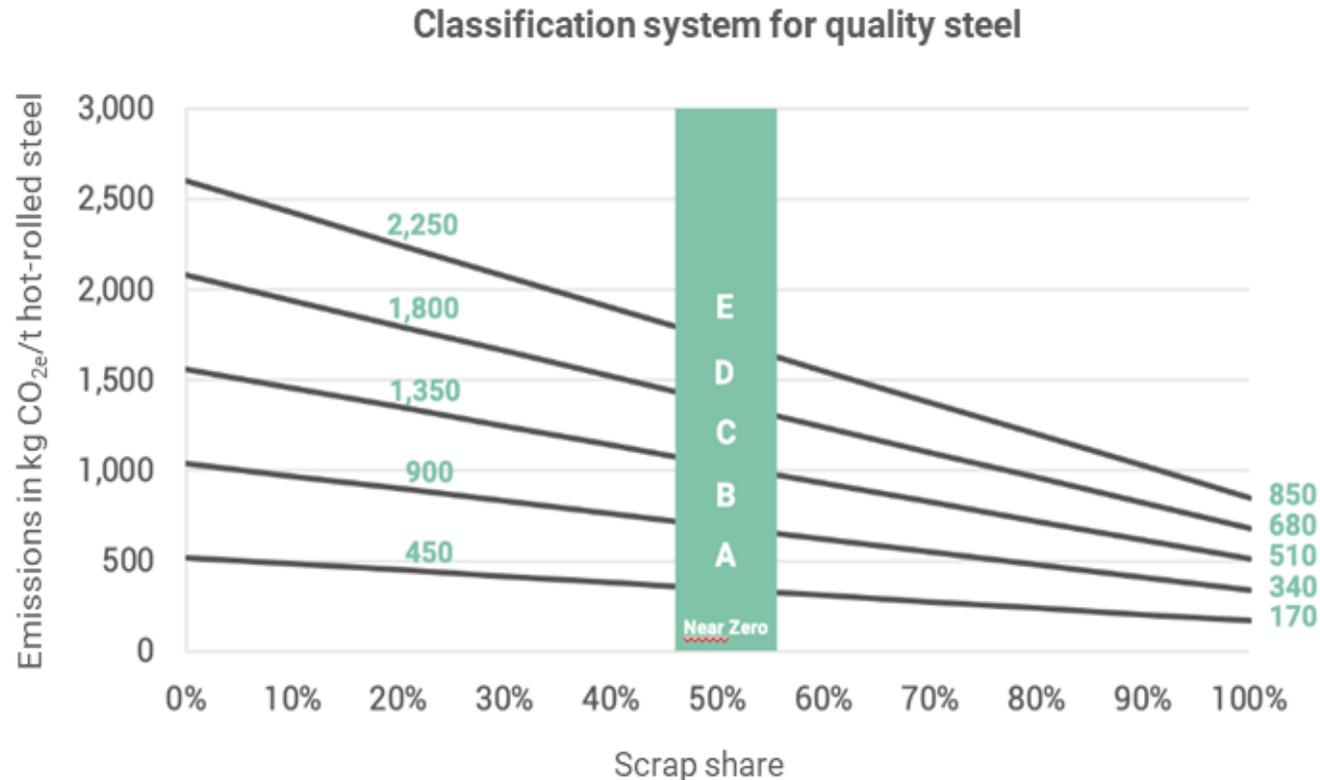
Scrap share XXX %

GWP-total according to EPD
Certified according to:
Certificate no.:

XXX kg CO₂e /t product

- **Transformative endeavours** in the manufacturing process can be classified, compared and thus made assessable.
- Steel buyers can manage their sustainability strategies by labelling the **scrap share and PCF / EPD**.
- LESS can form the basis for the **establishment of lead markets** at national and EU level.
- LESS is **open to all technologies**, has a **European focus** and is **internationally compatible**.

The classification within LESS



- Sliding scale approach recognizes the limited availability of scrap and incentivizes the transformation and use of clean energy.
- Future steel production (DRI & scrap => EAF) can be recognized by sliding scale approach.
- Primary steel producer need to transform production to reach classification C, while secondary steel producer can reach classification C nowadays with low-emission energy.
- Calculation of emissions values are based on the LESS rulebook that builds on EU-ETS (not identical to EPD/PCF).

LESS: Where do we stand and what are the next steps?

Current Status and Next Steps



The non-profit organization „LESS aisbl“

System owner of the standard



LOCATED IN EUROPE

The association LESS aisbl is an independent non-profit organization located in Brussels.

MEMBERSHIP

European steel producers that account for almost 25% of EU crude steel production. 21 founding members.

OPEN FOR MEMBERSHIP

LESS aisbl is open for new full and associated members.
Contact: info@less-aisbl.org

Responsibilities of LESS aisbl

MANAGES LESS

LESS aisbl manages the standard and continuously develops it further with the participation of representatives from science, civil society and the steel value chain.

APPROVES CERTIFICATION BODIES

LESS aisbl authorises independent certification bodies to certify steel producers against LESS and publishes them on a list of approved certification bodies.

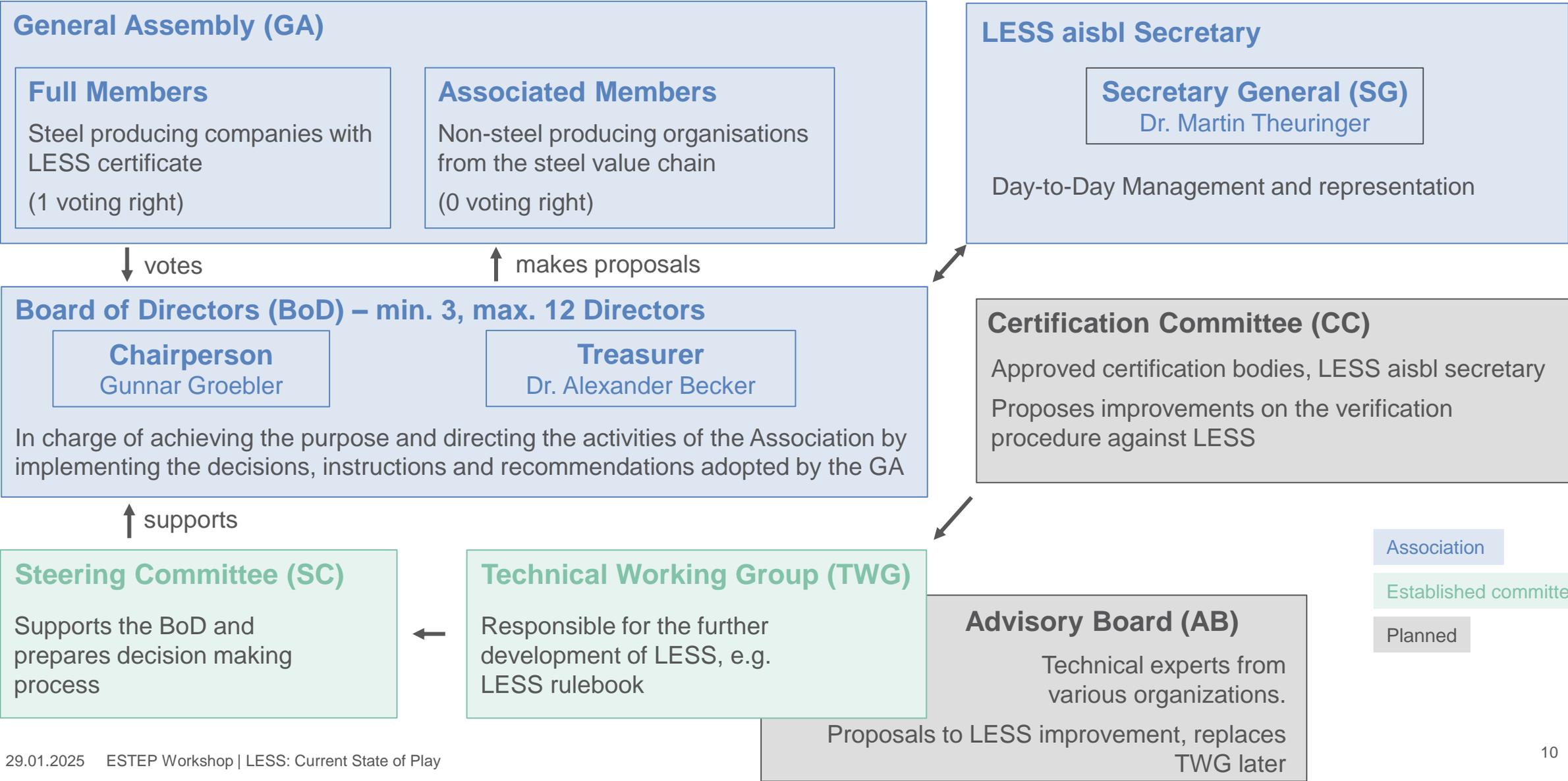
INFORMS ABOUT LESS-VERIFIED STEEL

LESS aisbl publishes an overview of steel manufacturers that produce LESS-verified steel and issued certificates.

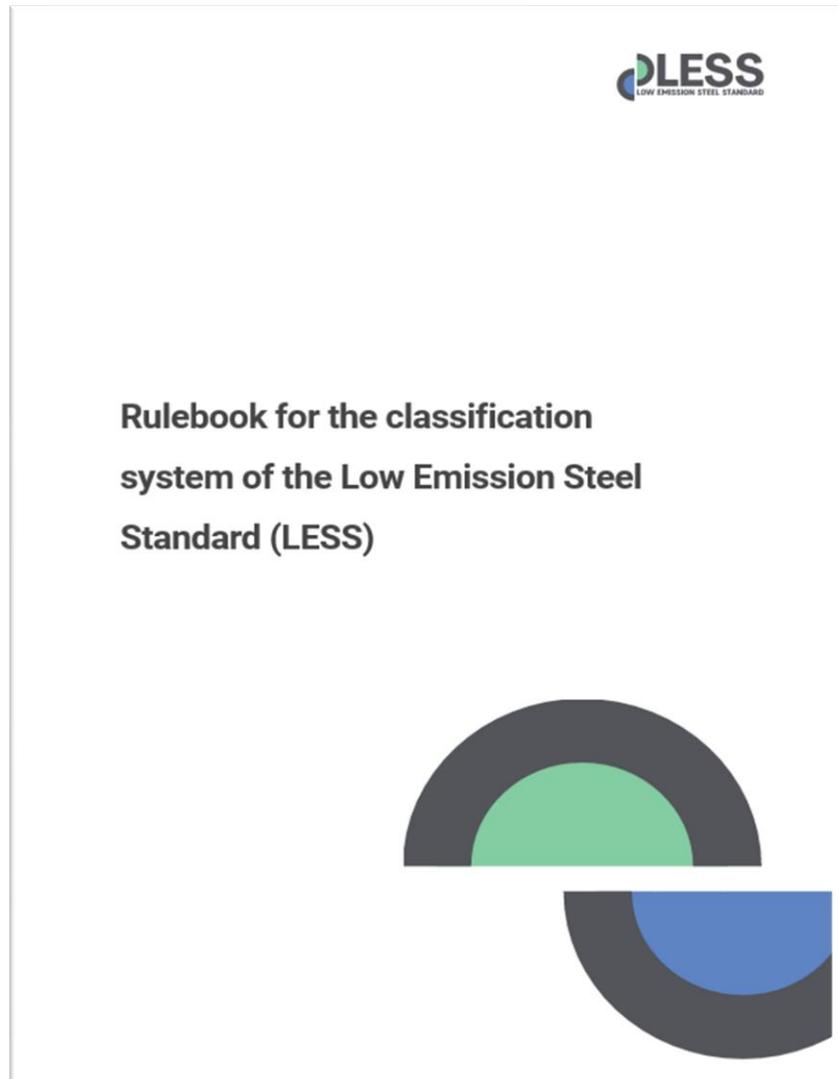
ENSURES CREDIBILITY

LESS aisbl ensures the credibility and robustness of the standard through an expert group and public consultation.

Governance structure of LESS aisbl



The LESS rulebook and it's extension



- LESS rulebook defines the rules and calculation methods for the classification of products
- Current version of rulebook designed for system boundary hot-rolled steel
- Extension of the rulebook already developed for (consultation planned):
 - Stainless Steel
 - Forging
 - Casting
 - Seamless pipes

Certification procedure and current status



Procedure

Yearly verification against LESS by approved third-party certification bodies



Certificate

(Certificate based on third-party assurance statement)

Principles:

- Third-party verification
- Acceptance of verified data from EU-ETS
- Focussing on GHG emissions

Status

- **Test phase successfully completed**
- **Currently robustness-check is taken place**
- **Currently approving third-party certification bodies**
- **First Certificates in the market in summer 2025**

Strategic Roadmap 2024-2028



Launch of the Standard

LESS goes to the market

LESS aisbl / LESS are established

LESS becomes basis for Lead markets

LESS aisbl is founded

LESS becomes European



Our Vision:

- LESS becomes the go to standard for low- and near-zero emission steel in Europe
- LESS aisbl membership covers more than 50 percent of EU steel production in 2025/2026
- LESS will serve as the point of reference for clean lead markets in Europe 2027ff

LESS and the Policy Debate

LESS as the basis for Clean Lead Markets



Our goal: Establishing green lead markets

Strengthening demand for „near-zero“, low-emission and circular products



Create a reliable demand for CO₂-reduced steel.



Provide a bridge until low-emission materials become the norm.



Market-based approach to completely abolish public start-up financing in the long term.



Labeling as a basis for distinguishing between conventionally produced and low-emission steel.



Public procurement and public tenders as a pioneer in the use of low-emission steel.



European Lead Markets and the Clean Industrial Deal



- Lead markets will be one of the six key elements of the announced Clean Industrial Deal (and the later following Industrial Decarbonisation Accelerator Act)
- Several legislative procedure offer anchor points for the establishment of lead markets:
 - ESPR
 - Product policy, e.g. End-of-life vehicle (ELV), Construction Products Regulation (CPR)
 - Net-Zero Industry Act: resilience and sustainable criteria
- The establishment of lead markets for clean steel won't be successful until clear, valid, and reliable standards are defined.

Thank you for your attention!

