

Proof on screen - chain of custody

# Proof on screen: Do product claims hold up under the lights?



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## ■ **Disclaimer** – worldsteel and chain of custody

worldsteel is contributing to broader, independent standard-setting efforts, such as those led by the International Organization for Standardization, which provide an open and neutral framework for these discussions.

This work is about knowledge-sharing and technical understanding and it's not about aligning commercial approaches or limiting the development of different models in the market. Companies will continue to make their own independent choices.

Any outputs from this work are intended to be voluntary, non-binding and open, so that they support clarity in the market without restricting innovation or competition.

This work is being done in full compliance with competition law and the association's antitrust guidelines.

# What is Chain of Custody?

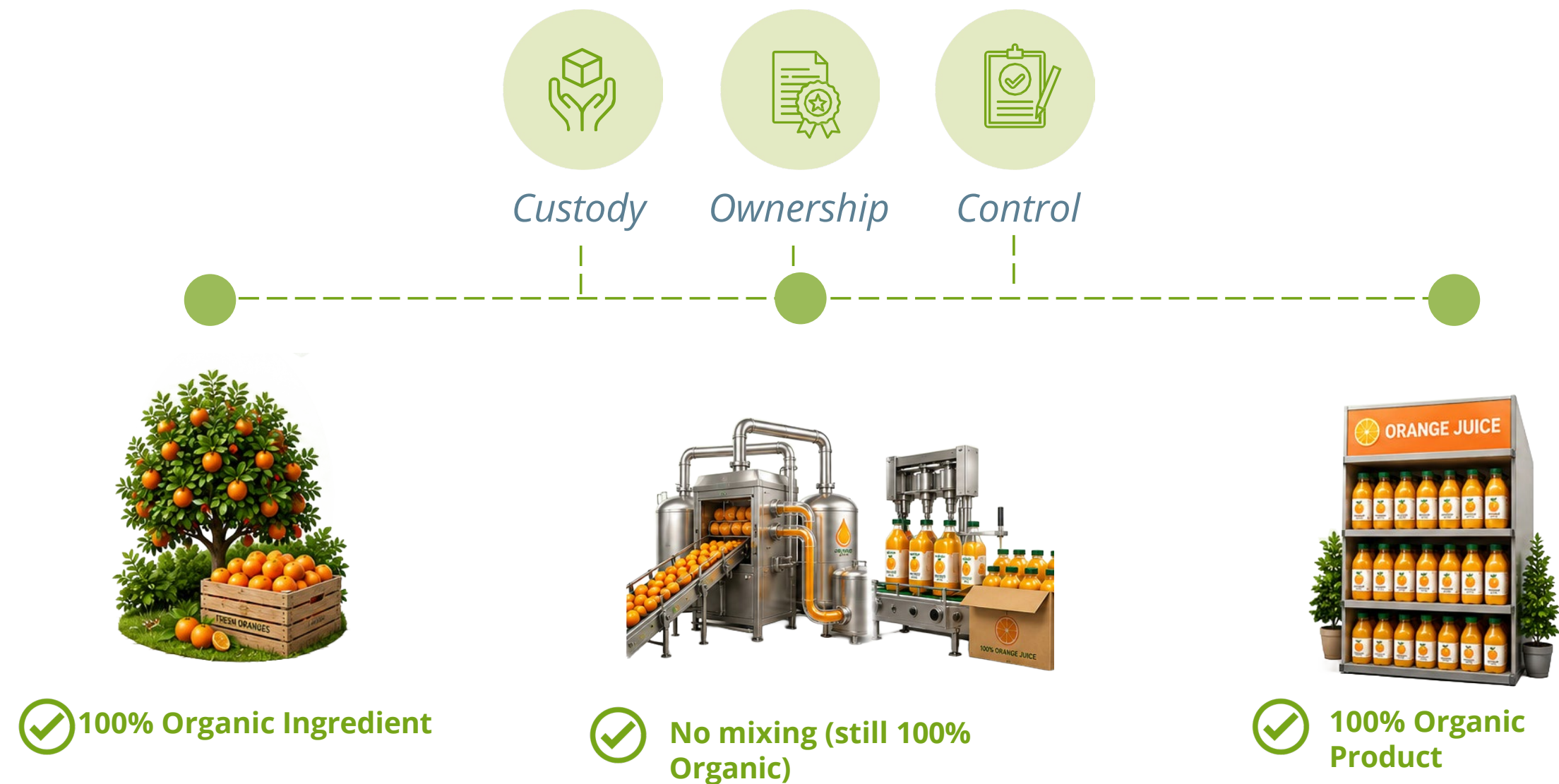
## Traditional definition:

“ The chronological sequence of **custody, ownership, and control** of materials as they move through a **supply chain**. ”

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# Application in sustainability claims:

In this example we will trace the **organic** attribute of the product...



The attribute **organic** was preserved through all the supply chain

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# A real example

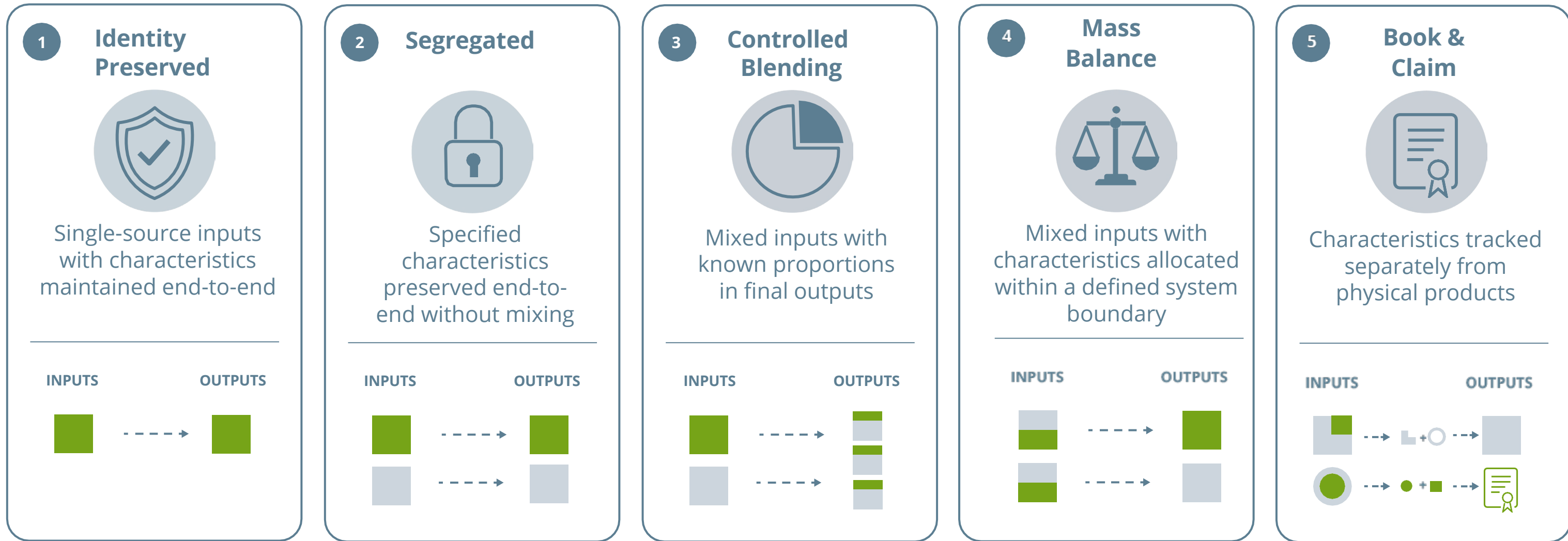
We can see CoC in many products we buy



## Mass balance approach

What does that really mean?

# Chain of custody models



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# Why is CoC increasing in use?

Enabling product claim practices, such as:



# But it is also used for...



Stakeholders' views vary in their acceptance and interpretation of chain of custody approaches.

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# CoC in the **steel industry**

Some reasons why CoC approaches are increasing in our industry



# Risks

## Widespread proliferation and methodological fragmentation

CoC claims are rapidly expanding across consumer goods, but accounting methods and verification rules vary widely.

## Green-washing risk

Non-standardized claims create confusion and double-counting concerns.

## Emissions tracking complexity:

CoC is increasingly used for GHG emissions, which are harder to verify than physical mass.



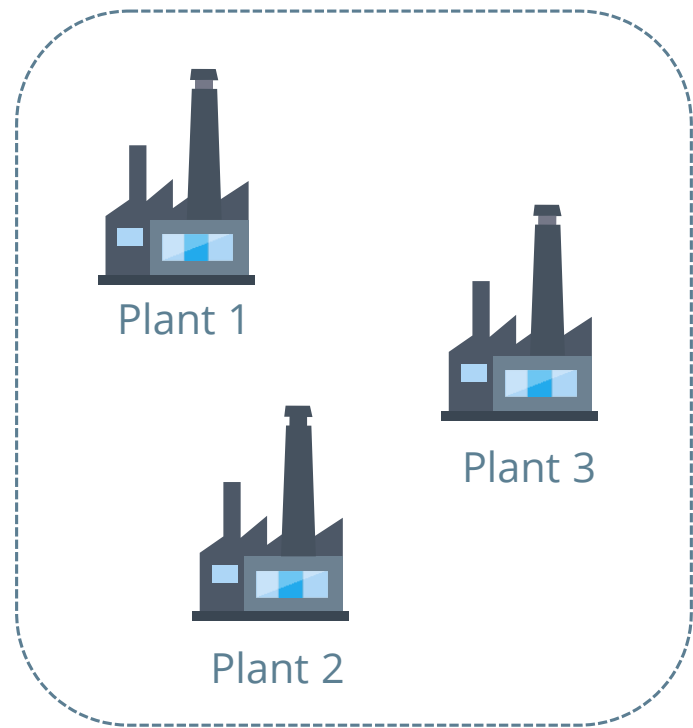
## Steel industry polarization

CoC divides stakeholders: supporters see transition finance, while critics see hidden fossil-fuel use.

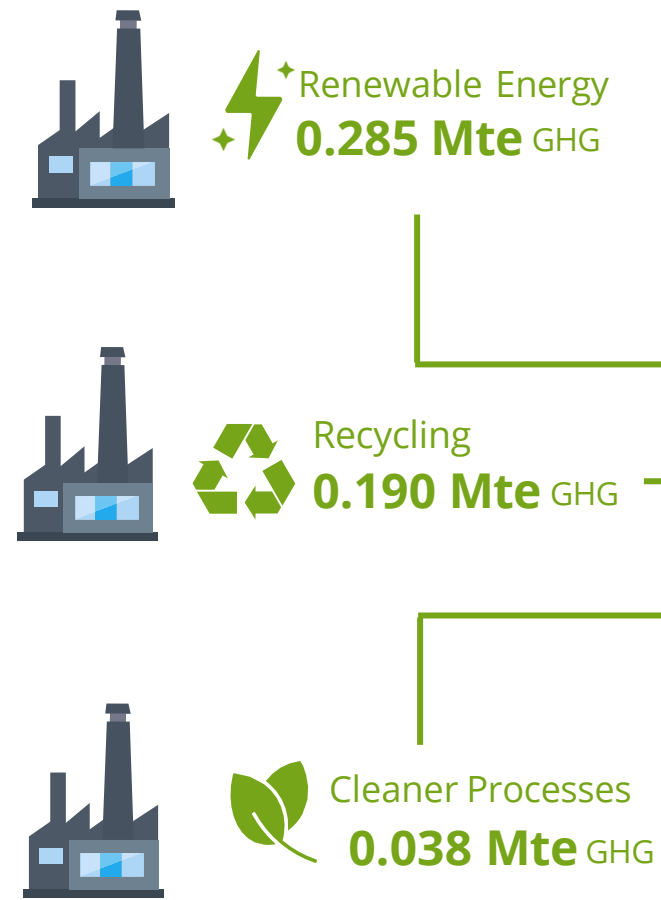
# How chain of custody can be used in our industry

Company A owns several plants and each plant may produce a different steel product.

## Company A



Same company, same region

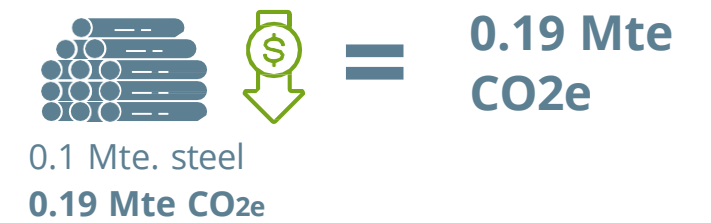


Each plant saves emissions through reduction projects, and those savings are tracked.

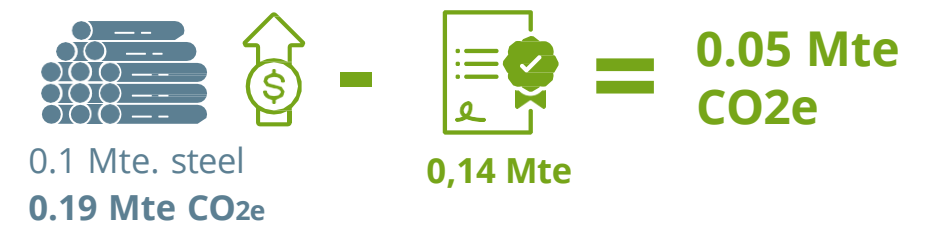
Verified emissions savings are stored in an emissions reduction bank until they are claimed as certificates.

Customer chooses what to buy...

OPTION A: Steel only

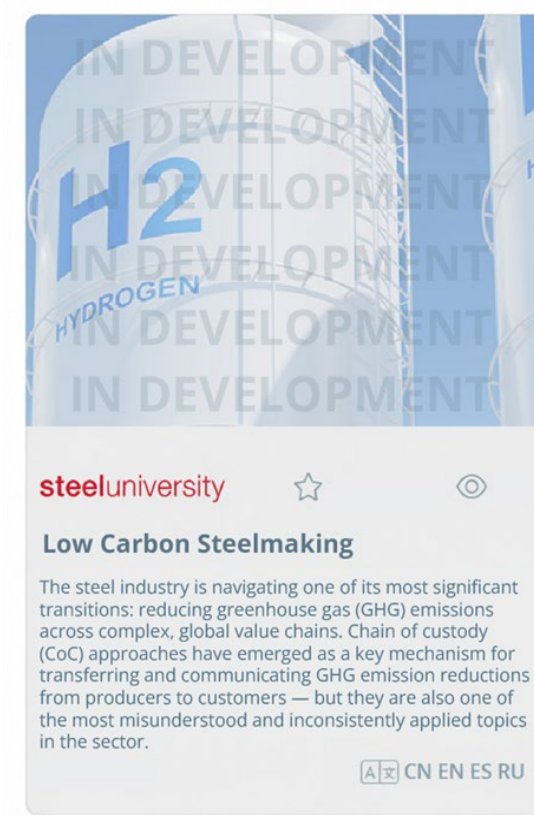


OPTION B: Steel & Certificate



Why buy a certificate if it is more expensive?

- Meet climate targets
- Win low - carbon tenders
- Reporting and customer claims



# Low Carbon Steelmaking

## Introduction to Chain of Custody

Module in development by steeluniversity and the worldsteel CoC team.