

S&P Global Commodity Insights Launches New Price Assessments for European Carbon-Accounted Steel

LONDON, May 9, 2023 /PRNewswire/ -- Platts of S&P Global Commodity Insights, the leading independent provider of information, analytics and benchmark prices for the commodities, energy and energy transition markets, has launched two new daily European carbon-accounted hot-rolled coil (HRC) steel price assessments to help bring greater transparency to the metals market's decarbonization journey.

The new daily assessments -- the Platts European HRC Carbon-Accounted Steel Premium (CASP) and the Platts Northwest Europe HRC Carbon-Accounted Steel Price -- mark Platts' first-ever carbon-accounted pricing offering for the ferrous supply chain. They complement Platts European price offerings for standard HRC and the pre-existing suite of daily low-carbon and zero-carbon primary aluminum and low-carbon aluminum billet assessments.

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The Platts European HRC Carbon-Accounted Steel Premium (CASP) assessment reflects:

- any differential achieved for spot sales of HRC on an ex-works basis, with total accounted carbon emissions of 2.1 metric tons (mt) of CO₂, or less, for every metric ton of steel produced.
- trade in HRC with carbon emissions certified by internationally accepted, independent organizations. Market participants are expected to supply proof of such certification upon request.

The Platts Northwest Europe HRC Carbon-Accounted Steel Price assessment represents:

- an all-in price for carbon-accounted HRC in that region. The price assessment is the sum of the Platts European HRC Steel Carbon-Accounted Emissions Premium added to the existing Platts HRC ex-works Ruhr price assessment.
- A normalization to European Norm EN 10025-2:2004/ Grade S235J quality specifications, and reflect ex-works Ruhr shipments of at least 100 mt, within 4-10 weeks, in Euros/mt on delivery.

Christopher Davis, Global Lead for Carbon-Accounted Metals, S&P Global Commodity

Insights, said: "The carbon-accounted metals space is one that's evolving rapidly, but is also lacking transparency and relevant price references similar to those Platts provides for standard metals. These new assessments will help shed light on value and pricing trends, while bringing clarity to an opaque market."

The new price references include emissions from direct, indirect and associated upstream and downstream activities such as mining and processing of steelmaking raw materials, hot metal production, steel rolling and associated transportation and logistics and reflect carbon emissions-related surcharges or upcharges implemented by market participants. Trade in steel products using offsets to reduce overall emissions profiles, such as credits sourced from voluntary carbon markets, will not be considered for inclusion in these assessments.

While energy transition is increasingly a key part of global metals and mining companies' corporate strategies, a vacuum of standards has hampered market participants in their efforts to define, quantify and understand the market value of carbon-accounted steel.

Anna Crowley, Global Head of Metals Pricing, S&P Global Commodity Insights, said: "Through Platts' carbon-accounted steel price assessments, market participants will get daily snapshots of this important emerging market. Such illumination should aid across the value chain, from producers seeking acknowledgement of the advances made in reducing carbon at the steelmaking stage, to end-users demanding material certified by suppliers that it meets certain decarbonization criteria, and beyond."

The new price assessments are also an augmentation that will allow the industry and marketplace to leverage

expertise and price assessing capabilities across commodities and voluntary carbon sectors, allowing deeper and broader insights with which to navigate the global energy transition.

Access details of Platts' price assessments methodology and data prioritization here:

https://www.spglobal.com/commodityinsights/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/platts-assessments-methodology-guide.pdf

The carbon-accounted steel price assessments may be found in S&P Global Commodity Insights products and services, including: *Platts Ferrous Metals Alert* pages, *Platts Steel Markets Daily*, the *SBB Daily Briefing*, *Steel Price Report*, *Platts Dimensions Pro*, *Platts Market Center*, and in the Platts price database. The assessments are featured on page PMA 1200 alongside Platts' daily European HRC assessments.

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