Building a sustainable future for steel

All about ResponsibleSteel™

www.responsiblesteel.org
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What is ResponsibleSteel?

ResponsibleSteel is the world’s first global scheme for responsibly sourced and produced steel.

Membership of ResponsibleSteel gives us the opportunity to address pressing global challenges that matter to us, such as climate change and human rights. We hope to see our peers, clients and competitors join us as members so together we can accelerate the development of truly responsible steel.”

CATE HARRIS
Group Head of Sustainability and Lendlease Foundation
Lendlease

We believe that additional finance will be needed to help the steel sector transform faster towards lower carbon production. We have high hopes that the ResponsibleSteel initiative will codify, reinforce and incentivise this transition. We need buyers to ask for responsible steel and we need manufacturers to hear this.”

FRANCIS SULLIVAN
Senior Advisor, Sustainability
HSBC

We share the vision of ResponsibleSteel that steel’s contribution to a sustainable society is maximised, and that the responsible sourcing, production, use and recycling of steel is enhanced.”

SEAMUS FRENCH
CEO of Bulk Commodities
Anglo American

Mighty Earth is excited to join this ground-breaking effort to ensure a meaningful pathway to decarbonise steel. We have ten years to cut industrial climate emissions in half and it is going to take all of us to make that possible.”

Mighty Earth

What is ResponsibleSteel?

ResponsibleSteel is the world’s first global scheme for responsibly sourced and produced steel.
**ResponsibleSteel timeline**

DEVELOPMENT OF THE WORLD’S FIRST GLOBAL SCHEME FOR RESPONSIBLY SOURCED AND PRODUCED STEEL

- **Jan 2016**
  - SSC Ltd incorporated, inaugural Chair, Ross Davies

- **Aug 2015**
  - Arcelor Mittal and Bluescope became main supporters.

- **Mar 2016**
  - 1st face to face “Council” meeting in Sydney.

- **2011-2015**
  - Concept adopted and developed in Australia following ISEAL guidelines

- **2016**
  - 2nd “Council” meeting in Sydney.

- **Oct 2016**
  - V1 of the Responsible Standard, ‘the straw man’ developed.

- **Feb 2017**
  - Forum I – Berlin.

- **Sep 2017**
  - Appointment of Executive Director, Matthew Wenban-Smith

- **June 2018**
  - V2 of the Standard completed and put out for 60 day public review.

- **Oct 2018**
  - V3 of Standard completed and out for 2nd 60 day review.

- **Jun 2019**
  - Members meeting London. V4 now complete.

- **Feb 2019**
  - COVID Pandemic – all site audits paused.

- **Mar 2020**
  - ResponsibleSteel members approve new Constitution.
  - Site audits restart.

- **Apr 2020**
  - Work on additional requirements for input materials and ghg emissions starts.

- **Jul 2021**
  - First site certification announced.

- **Dec 2021**
  - Plan for steel standard to be voted on by members.

- **Feb 2022**
  - ResponsibleSteel will launch standard for certification of steel products
The steel sector is the largest industrial emitter of CO₂ – it contributed more than 7% of global emissions in 2019."

The steel industry has diverse impacts on people and planet. It is the world’s largest industrial emitter of CO₂ and although technology is available to decarbonise the production of steel, incentives for steel producers to implement change at the pace needed are currently insufficient, nor is there the capacity for recycled steel to meet ever increasing demand.

Consumers increasingly expect companies they buy from to choose sustainably sourced input materials for manufacturing. In every sector, from vehicle manufacturers to bridge builders, there is a growing need to purchase responsibly – a demand that is difficult for the steel industry to meet.

As an independent global scheme, ResponsibleSteel’s contribution will be to support the steel sector in making the necessary changes for success.

"Our Vision - To Maximise the Steel Sector’s Contribution to a Sustainable Society"

Steel has shaped the world around us, and will shape our future, but there is an opportunity to do things differently; to control the impact we make, by taking the right measures to source, produce and utilise steel responsibly.

Take a look around you. Whether you’re aware of it or not, you’re surrounded by steel. It’s one of the world’s most widely used materials, a critical component in energy generation and distribution, and the most recycled material on earth. It’s essential for the construction of buildings and infrastructure, rail, roads, vehicles, domestic appliances, and much more.

One of the largest materials industries in the global economy, the steel supply chain is complex, encompassing activities ranging from mining raw materials through to steel production, manufacturing and beyond. Despite the steel industry’s significance, until now there have been no global, multi-stakeholder programmes or initiatives to ensure that steel is responsibly sourced and produced.
Our mission is to enhance the responsible sourcing, production, use and recycling of steel.”

HISTORY IN THE MAKING

The steel sector knows that it needs to think hard about how sustainability will impact the industry, and the world around it.

ResponsibleSteel, a not-for-profit multi-stakeholder organisation, has been founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel.

We are building consensus on what sustainability looks like for steel – including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers’ rights, communities and biodiversity.

ResponsibleSteel is the world’s first global scheme for responsibly sourced and produced steel.

Aligned with the ISEAL codes of good practice, ResponsibleSteel’s credible standards and robust auditing is helping to transform the steel industry by rewarding best practices at every stage of the supply chain. This recognition will not only benefit the producers and manufacturers already working to high standards, but also put pressure on those who don’t to raise their game.

Through stakeholder engagement and implementation of a clear theory of change, our ambitious standard is being developed further with a diverse mix of stakeholders, businesses and civil society groups alike. Helping the industry to become a driver for positive change, and recognise that this is fundamental to competitive advantage, securing market share and imperative to securing a greener planet for future generations.

Our mission is to enhance the responsible sourcing, production, use and recycling of steel.

TOGETHER, WE CAN MAKE A LASTING IMPACT ON THE WORLD

If we’re going to turn the mission into reality, we need our partners’ help and support.

By working hand in hand with some of the most influential organisations in this industry and beyond, together, we will continue to drive positive change through the recognition and use of ResponsibleSteel, now and in the future.

If we succeed, everyone wins.
Global collaboration for a sustainable future

THE CHALLENGE AND THE VISION

Customers, stakeholders, and consumers increasingly expect business to take responsibility for their social and environmental impacts.

The positive impact the steel industry can have on sustainability targets can be realised with the support of multiple stakeholders both from within and from outside the steel supply chain.

ResponsibleSteel’s strategic approach will bring together not just business and civil society groups, but also sources of finance and policy makers, to work towards shared sustainability goals at pace, and build consensus across all partners for maximum effect.

THE OPPORTUNITY

Steel is a big part of the problem, but steel can be a big part of the solution.

Steel is one of the largest materials industries in the global economy, utilising huge quantities of raw materials through production – 85% of the world’s manganese and 60% of its nickel and zinc amongst many others. 10% of the world’s coal is used in steel production, whilst steel production and processing contributes between 7% and 9% of the world’s greenhouse gas emissions.

As a material that can be recycled endlessly without loss of quality, steel can have a central role in a sustainable, circular economy. However, a sufficient stock to meet the world’s growing needs for recycled steel will likely not exist until beyond 2070.

Therefore, addressing sustainability issues in the current production and supply of steel is necessary to bridge this gap and work to meet the global emissions targets of the Paris Agreement.

It is the scale of the steel sector, and the impact it has on the world, that creates so much potential for steel to contribute to a sustainable future.

THE ACTION PLAN

Building a business case for responsibly sourced steel:

ResponsibleSteel’s role is focused on ensuring shared sustainability goals are aligned to a clear business case for the steel supply chain.

ResponsibleSteel is dedicated to defining and promoting three key pillars which work to achieve responsible practice:

1. Allow producers to meet the sustainability needs of their customers
2. Improve responsible sourcing and reduce risk in the steel supply chain, protecting workers and communities
3. Enable leading producers to promote steel as a responsible material

The internationally recognised ResponsibleSteel standard provides the consensus on sustainability, defining responsible practice across the industry and focusing activity to drive the transition to carbon-free steel production.

The standard:

• Drives sound management of air, water and biodiversity impacts.
• Asks for strategies to reduce GHG emissions and requires their reduction over time.

• Demands respect for workers’ rights and other human rights
• Caters for jobs that are safe for the health of workers and communities.
• Ensures that responsible patterns of production and consumption are met

The ResponsibleSteel strategy is to promote and drive uptake of the standard worldwide to help further strengthen the business case for sustainable sourced steel, creating value for those in the supply chain who commit to and implement the standard.

Auditing steel production and processing sites and working with credible, third party mining assurance schemes ensures sound practice is recognised through third party certification, giving our membership recognition of ESG programmes for mining.

Engaging with the whole supply chain

ResponsibleSteel recognition of ESG programmes for mining

ResponsibleSteel works in partnership with credible, third party mining assurance schemes towards achieving responsible sourcing along the steel supply chain: IRMA (Initiative for Responsible Mining Assurance), TSM (Towards Sustainable Mining) as well as other standards initiatives in the mining sector. This ensures that mining practices and working conditions are scrutinised to achieve responsibly sourced input materials, whilst looking after people and communities in mining areas.

ResponsibleSteel certification of steel making sites

ResponsibleSteel works with competent certification bodies and auditors to assess and certify responsible business practices in steel making sites. This includes key governance, social and environmental principles.

ResponsibleSteel certification of steel products

Certification of steel products will drive demand for low carbon steel products made at ResponsibleSteel-certified steel making sites, using input materials that participate in a recognised programme for responsible mining. Downstream specifiers of ResponsibleSteel-certified steel will include Manufacturing, Automotive, Construction, Energy Provision, Infrastructure and Packaging businesses.
ResponsibleSteel in partnership with its members:

THE STEEL SECTOR IS ALREADY WORKING TOWARDS A SUSTAINABLE FUTURE

The support of wider stakeholder partnerships is driving the mission forwards, to enhance the responsible sourcing, production, use and recycling of steel.

ResponsibleSteel asks its members to support the initiative publicly. It means encouraging members to use the standard as a campaign tool and embracing ResponsibleSteel branding and collateral. It also means that our membership actively demonstrates the work it’s doing to address the massive challenges that the sector faces.

Credibility comes through independent, third party certification, backed up with ResponsibleSteel’s own scrutiny of auditing bodies and transparent reporting.

ResponsibleSteel Members and Associates:
ResponsibleSteel is an international, multi-stakeholder membership organisation. New members are welcome from anywhere in the world, including businesses from every part of the steel supply chain, civil society groups, associations, and other organisations with an interest in a responsible steel industry. Organisations that are not eligible for full membership but wish to show their support and be kept informed as the programme develops are invited to join as Associates.

ResponsibleSteel Member categories:
• Business Organisations (full member): steelmakers, input material suppliers and downstream users
• Civil Society & Social/Environmental Organisations (full member): organisations with social or environmental missions and trade unions
• Associate member: governmental organisations, trade associations, standards bodies, conformity assessment bodies and academic institutions.

RESPONSIBLESTEEL MEMBERSHIP HAS MANY BENEFITS:

Business and Civil Society Members:
• Voting rights on ResponsibleSteel Standard, including new and revised editions of the Standard(s)
• Global multistakeholder dialogue with the whole steel supply chain, civil society and associate organisations
• Independent certification and robust assurance
• Use of ResponsibleSteel logo (Member) under Logo and Claims Guidelines and communications support, including use of ResponsibleSteel Certified Site logo for steelmakers achieving ResponsibleSteel site certification
• A listing of your organisation or company on the ResponsibleSteel website, newsletter and on ResponsibleSteel social media
• Active participation in workshops, webinars, and other fora to help shape ResponsibleSteel work programme
• Invitations to participate in membership meetings and ResponsibleSteel Forums
• Being part of the global dialogue on responsible steel

Associate Members:
• Global multistakeholder dialogue with the whole steel supply chain, civil society and associate organisations
• Use of ResponsibleSteel logo (Associate) under Logo and Claims Guidelines and communications support
• A listing of your organisation or company on the ResponsibleSteel website, newsletter and on ResponsibleSteel social media
• Active participation in workshops, webinars, and other fora to help shape ResponsibleSteel work programme
• Invitations to participate in membership meetings and ResponsibleSteel Forums
• Being part of the global dialogue on responsible steel
The impact that ResponsibleSteel can deliver

WHERE WE ARE NOW

The way we live now isn’t sustainable.

The climate crisis is now a prominent part of the mainstream news and political agenda. Businesses are starting to integrate climate change and sustainability into their core decision-making and civil society groups are questioning the relationships between commerce and global environmental changes. Yet despite the growing noise and attention, global carbon emissions are higher than ever, and increasing.

Economic, structural and political barriers are preventing investment, policies and market innovations from scaling at the pace required to prevent the climate emergency.

Based on current consumption rates, the demand for steel globally is forecast to increase from 1.5 billion tonnes in 2019 to over 2.1 billion tonnes by 2050.

Key players in the steel industry are already committed to their own sustainability targets, however the only way to meet future increased demand and make a difference to steel production emissions is through a coordinated response between business and civil society.

"ResponsibleSteel is growing its level of investment in order to achieve its mission for the steel sector."

Announcement of the world’s first certified steelmaking sites in Belgium, Germany and Luxembourg owned by ArcelorMittal, 20th July 2021

WHAT CAN BE ACHIEVED

ResponsibleSteel works with a group of diverse stakeholders, from both within and outside the steel industry, but needs greater levels of support to ensure the proliferation of responsible practices and for global emissions targets to be met.

It is a huge task to undertake:

The standard must develop

ResponsibleSteel has established a standard that works for the whole industry - but much of the work to keep the standard up-to-date, to match the pace of change in the world, is still to do:

- Developments, revisions and updates will be required in a cycle every 3-5 years.
- Stakeholder approvals must be gained across an ongoing series of international meetings, presentations, discussions and agreements.
- A global reporting platform must be created:
  - To report on the impact and measure growth in global contributions to sustainability and commercial reward.
  - Across different sectors, territories and parts of the supply chain.

Global policies need to change

- Key campaigning and lobbying organisations, must continue to help build the relationships, recognition and social capital with governments, policy makers and procurement departments around the world, to ensure policies are changed for the better.
- If global recognition can be gained in standards for major procurement, key sectors concerned with the use of sustainable materials such as green construction, automotive manufacturing and renewable energy will specify use of ResponsibleSteel. This is similar to what has already been achieved in global timber procurement at national and international levels.

We must develop a global network

Developing and maintaining true multi-stakeholder standards is difficult. Here are just some of the tasks that will need to be successfully implemented around the world:

- Reaching out to civil society and building the support required.
- Influencing national and international policy makers to make significant change.
- Managing data, monitoring and reporting on impact, to celebrate what is being achieved, but also highlighting what is still to be accomplished.
- Ensuring that claims are monitored, making sure that false claims are not made in ResponsibleSteel’s name.

The team at ResponsibleSteel is small

It is important we grow the size of the team quickly to take advantage of opportunities of scale. China controls half of the world’s steel production, and half of the world’s steel consumption - just one example of where more resources can have a huge impact.

For ResponsibleSteel to achieve the level of engagement, support, and technical alignment needed - significant growth will be required. Plans to maximise opportunities with existing members and stakeholders, and to engage with new members are underway.

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IF THE WORLD IS TO MEET THE GOALS OF THE PARIS AGREEMENT, THE STEEL SECTOR NEEDS TO DECARBONISE FAST

The finance required to transform the industry is in the region of US$80 billion a year up to 2050, according to the Energy Transition Commission (ETC). The scale of the task will rely on both private and public investment to succeed.

The ETC has demonstrated it is technically feasible to decarbonise steel production. The challenges are that:

• Multiple routes exist to achieving low carbon emissions, potentially held back by different industry structures, systems, technical solutions, and country policies.

• Several technologies exist to create zero carbon emissions in steel production, but they are at various stages of commercial viability, with many still at pilot stage.

Individual businesses in the steel supply chain will find it difficult to bear the upfront costs of investment due to pressure on margins in a competitive international sector. However, many energy efficiency improvements could, in principle, deliver attractive rates of return, particularly with increasing demand for steel in large sector markets (e.g. the automotive and construction sectors) to source low carbon products. The ETC expects the cost to the end consumer to be modest, for example, an increase of 1% to the price of an average car, so therefore do not expect a negative impact on consumer demand.

To support investment ResponsibleSteel:

• Provide a benchmark for sound practice that makes it easier for investors to differentiate between steel businesses.

• Ensures certification will provide confidence in the fact that capital raised will support responsible steel production and sourcing.

WE ARE DOING SOMETHING TODAY THAT HAS NOT BEEN DONE BEFORE

Creating an agreed international standard for responsible steel making and sourcing.

ResponsibleSteel is pulling together all the critical elements of global supply, demand and financing, in a framework that incentivises low carbon transition using market-based rewards.

Help us make compliance with ResponsibleSteel standards a normal part of business practice worldwide.

Get involved, help us drive the acceleration of change needed, to create a more sustainable steel industry, and achieve zero carbon emissions by 2050.
Thank you to our contributors and our membership for support in building this document.

References have been made to emissions and production data from The Energy Transmission Commission, HSBC and ArcelorMittal sustainability reports.

Quotes from some members have been used. Thank you to HSBC, Anglo American, Lendlease and Mighty Earth.

Please join us to help build ResponsibleSteel and be part of this growing multi-stakeholder organisation.

For further information or to get involved with the ResponsibleSteel global initiative, please contact:

info@responsiblesteel.org