About this document

This document is the fourth draft in the development of the ResponsibleSteel standard. It describes the requirements for the responsible sourcing and production of steel that have to be met by all sites seeking ResponsibleSteel certification.

The standard defines requirements that must be met to support claims that the site is a ResponsibleSteel certified site. This version of the standard cannot be used to support any claims about the steel that is produced at the site (‘product claims’). Product claims will only be possible when additional requirements relating to the sourcing of the raw materials used for the production of steel at the site, as well as performance thresholds in relation to embodied greenhouse gas emissions associated with the steel’s production have also been met.

These two issues – responsible sourcing and limiting greenhouse gas emissions in line with the goals of the Paris Agreement – are considered to be of fundamental importance, as well as being the most difficult for sites to achieve. Requirements relating to these two issues are still under development, and are now expected to be completed in 2020.

Note that this draft version of the ResponsibleSteel standard is not endorsed or recommended in any way by the ResponsibleSteel Board, its Standards and Assurance Committee, or by the ResponsibleSteel members. It has been drafted by the ResponsibleSteel Secretariat and is being put to ResponsibleSteel stakeholders to solicit their feedback. The document has been prepared within a process that is designed to comply with the ISEAL Code of Good Practice for Setting Social and Environmental standards.

For further information about the standard development process, its timeline, decision-making, and opportunities to submit comments or participate in other ways, please refer to the ResponsibleSteel website at www.responsiblesteel.org.
## Version history

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Description of Amendment</th>
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<tbody>
<tr>
<td>Draft version 1.0</td>
<td>February 2017</td>
<td>‘Straw man’ standard including 10 principles and criteria</td>
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<tr>
<td>Draft version 2.0</td>
<td>01 June 2018</td>
<td>Added requirements (sections 1-3)</td>
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<td></td>
<td></td>
<td>Reviewed principles and criteria and added threshold and target levels of performance (section 4)</td>
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<td>Definitions and guidance added</td>
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<td>Definitions and guidance added</td>
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<td>Presented to ResponsibleSteel members for feedback</td>
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<td>Added principle 12 (Decommissioning and Closure)</td>
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<td>Released for 30-day public consultation</td>
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## Disclaimer

The official language of this standard is English. The definitive version is held on the ResponsibleSteel website [https://www.responsiblesteel.org/](https://www.responsiblesteel.org/). Any discrepancy between copies, versions or translations shall be resolved by reference to the definitive English version.
Content

Principle 1. Corporate Leadership ................................................................. 7
Principle 2. Social, Environmental and Governance Management Systems .................. 9
Principle 3. Occupational and Community Health and Safety .................................. 14
Principle 4. Labour Rights ........................................................................... 23
Principle 5. Human Rights ........................................................................... 34
Principle 6. Local Communities ..................................................................... 38
Principle 7. Stakeholder Engagement and Communication ..................................... 44
Principle 8. Climate Change and Greenhouse Gas Emissions ................................. 48
Principle 10. Water Stewardship .................................................................... 60
Principle 11. Biodiversity .............................................................................. 64
Principle 12. Decommissioning and Closure ..................................................... 70
Annex 1: ResponsibleSteel Standard Terms of Reference ..................................... 73
Annex 2: The steel sector’s core raw materials .................................................. 75
## Glossary of Key Terms (preliminary)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adverse impact</td>
<td>Negative effect that goes against desired conditions. When deciding whether adverse impacts need to be addressed to achieve the ResponsibleSteel standard, steelmaking sites should consider how material their adverse impacts are. Materiality has two dimensions: The significance that the site's stakeholders attribute to the issue and the significance of the consequences of the steelmaker's impacts, for example on the environment or on human rights.</td>
</tr>
<tr>
<td>Policy</td>
<td>A high-level statement of intent, developed to govern a site's actions on a certain topic. It is approved by senior management and is reviewed from time to time to make sure it remains relevant. A policy does not have to be a stand-alone document. Where corporate-level policies exist that apply to the site and are known and understood by the site, these will satisfy the ResponsibleSteel requirement of a site-level policy.</td>
</tr>
<tr>
<td>Public</td>
<td>This means that information is either accessible by the public (e.g. through information published on the site's website or through information published on a regulatory website) or that information could be accessed through legal public means (e.g. through information requests to regulators).</td>
</tr>
<tr>
<td>Regular</td>
<td>Scheduled at planned intervals</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Persons or groups who are directly or indirectly affected by a site, as well as those who may have interests in a site and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include local communities and their formal and informal representatives, indigenous peoples, national or local government authorities, politicians, trade and labour unions, civil society organisations, marginalised groups, religious leaders, or the academic community. In the context of the ResponsibleSteel standard, the term stakeholders does not include suppliers, contractors, distributors or customers.</td>
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Draft ResponsibleSteel Standard
Version 4.0

Principles, Criteria and Requirements
Principle 1. Corporate Leadership

Objective:

ResponsibleSteel certified sites are led responsibly.

Background:

Customers, investors, workers and governments increasingly expect companies to demonstrate that they act as responsible corporate citizens, avoiding undesired impacts on societies and the environment in their areas of influence. ResponsibleSteel’s first principle lays the foundation for responsible business conduct. It focusses on the need for clear, consistent corporate leadership: the corporate values, policies and commitments that are made at the highest level of an organisation, that define the organisation’s culture, and that then drive the adoption of responsible practices throughout the organisation’s management and operations. Compliance with applicable laws and regulations and combatting corruption are further elements building that foundation and are covered in the Corporate Leadership principle. The standard then requires that these commitments and foundational elements are anchored with the board and senior management of the site wishing to become certified.

Responsible business conduct covers more topics than outlined in this first principle. The requirements in the remainder of the standard speak to these and define the benchmark for becoming ResponsibleSteel certified and thus for meeting stakeholder expectations on being a responsible steel making site.

Criterion 1.1: Corporate Values and Commitments

The site’s corporate owners have defined and documented the values and policies for responsible business conduct to which they are committed.

1.1.1. The site’s corporate owners have defined and documented the values, policies and commitments that they require sites under their control to implement, including at least the following:

a. A commitment to support the ResponsibleSteel Vision and Mission;

b. A code of ethical conduct or similar instrument;

c. A commitment to comply with all applicable laws, regulations and nationally-ratified international treaties, conventions and agreements in the countries in which they operate;

d. An anti-corruption policy that:
   • Addresses the management of conflicts of interest and political and charitable contributions;
   • Prohibits extortion, embezzlement, bribery, facilitation payments and money laundering;
   • Outlines its guiding principles when engaging with politics;
   • Grants protection to employees from demotion, penalty or other adverse consequences for
refusing to participate in corruption, even if such refusal may result in the site losing business.

e. A commitment to source raw materials from suppliers who demonstrate that the material they supply is from sites of origin and processing that are themselves aligned with the ResponsibleSteel principles and criteria.

1.1.2. The values, policies and commitments to which the corporate owners are committed are effectively communicated to all workers, and are readily accessible to the public.

Guidance:
The ETI (Ethical Trading Initiative) Base Code, ISO 26000 - Social responsibility or the Caux Moral Capitalism Principles are examples of frameworks that might help sites define or review their code of conduct.

**Criterion 1.2: Leadership and Accountability**
Responsibility for ensuring that the corporate owners' values and commitments are implemented at site-level are assigned to the site's directors and senior management.

1.2.1. Responsibility for oversight of the implementation of the company's values, policies and commitments has been assigned to individual members of the site's board of directors.

1.2.2. Members of the site’s board of directors have the expertise required to oversee implementation of the company’s values, policies and commitments.

1.2.3. The site's senior management is accountable for implementing the company’s values, policies and commitments, and their compensation is linked to effective implementation.

1.2.4. There is a system in place for senior management to report to the site's board of directors on a regular basis on the implementation of the company’s values, policies and commitments.

1.2.5. The site implements a process for ensuring that the corporate code of conduct and related policies and procedures are aligned.

1.2.6. The site monitors how well the corporate code of conduct is applied by workers. Where gaps become evident between the code and actual business practice and behaviour, the site identifies the root causes and defines and implements actions to address the issues.

Guidance:
**Policy:** Statement of intent and direction, approved by the site's senior management. A policy may be an integrated policy or consist of various stand-alone policies.
Principle 2. Social, Environmental and Governance Management Systems

Objective:

ResponsibleSteel certified sites have an effective management system in place to achieve the social, environmental and governance objectives to which they are committed.

Background:

An effective management system identifies a site’s management objectives, ensures that there are policies and procedures in place to achieve those objectives, and requires that performance is measured and monitored over time. Most well-managed steelmaking sites already implement formal management systems covering key social, environmental and governance objectives. The ResponsibleSteel standard specifies the existence of such systems as a requirement and also requires that sites make sure that their management systems cover all the applicable requirements of the ResponsibleSteel standard. The management system of a site may be an integrated management system or consist of various stand-alone management systems.

The ResponsibleSteel standard specifies that certified sites’ management systems must be based on recognised international standards, and does not duplicate the details of those standards. However, the ResponsibleSteel standard does highlight management system aspects that are key to achieving its specific objectives.

Criterion 2.1: Management System

The site is operated in accordance with a documented management system that incorporates all applicable social, environmental and governance requirements of the ResponsibleSteel standard.

2.1.1. The site has reviewed the ResponsibleSteel standard to determine whether any of the standard’s requirements are not applicable to the site seeking certification. There is a record of any requirements that are deemed not to be applicable, and of the basis for such determination.

2.1.2. The site has a documented management system in place that is based on recognised international management system standards.

2.1.3. The management system:

a. Complies with the requirements of ISO 14001: Environmental management systems – Requirements with guidance for use, in relation to environmental aspects;

b. Identifies the site’s main social, environmental and governance risks and adverse impacts and includes management provisions to prevent and mitigate these impacts;

c. Includes provisions designed to implement all the applicable requirements of the ResponsibleSteel standard;

d. Incorporates key performance indicators for the site’s main social, environmental and
governance risk and impact areas, and for monitoring the implementation of the applicable requirements of the ResponsibleSteel standard.

2.1.4. The site’s management system is certified by a competent third party as complying with the requirements of the applicable international standards. For environmental aspects, the site’s system is certified by a competent third party as complying with ISO 14001: Environmental management systems – Requirements with guidance for use.

**Guidance:**

Requirements not applicable to the site seeking certification do not have to be considered further. This might apply, for example, in the case of Principle 12 if no site closure has been announced. The basis for the site's determination that certain requirements are not relevant to its site will be reviewed and verified by the auditor during the assessment of the site against the ResponsibleSteel standard.

The management system may be an integrated management system or consist of various stand-alone management systems. Examples for recognised management system standards include ISO 9001, ISO 14001, ISO 45001 (replacing OHSAS 18001), ISO 50001, or SA8000.

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**Criterion 2.2: Responsible Sourcing**

The site has effective procedures in place to source from responsible suppliers, in line with its corporate commitment.

2.2.1. There is a documented procedure in place that ensures that the site’s corporate policy commitment to responsible sourcing (see requirement 1.1.1.e) is effectively implemented. Procedures include at least the following elements:

a. The corporate owner’s commitment to responsible sourcing is communicated to all of the site’s tier one suppliers of key raw materials;

b. All tier one suppliers of key raw materials to the site are required to document their own responsible sourcing commitments and to make these available to the personnel responsible for the site’s procurement on request.

2.2.2. The site has access to a listing of its tier one suppliers and to copies of their responsible sourcing commitments.

2.2.3. Key performance measures for the personnel responsible for the site’s procurement of raw materials have been specified and are aligned with the corporate owner’s commitment to responsible sourcing.

**Guidance:** The site’s corporate sourcing policy must, as a minimum, cover the sourcing of the 29 key raw materials identified by The Dragonfly Initiative as being of key significance to steel making (see Annex 2). The
site’s corporate sourcing policy may apply beyond the tier one suppliers of key raw materials. Where this is the case, the site’s procedures should reflect this.

Criterion 2.3: Legal compliance and signatory obligations

The site has effective procedures in place to ensure that it complies with applicable law and operates in consistence with social and environmental agreements it is committed to meet.

2.3.1. The site implements documented procedures for:
   a. Identifying and understanding its legal obligations and, where applicable, its obligations as a signatory to social and environmental agreements;
   b. Integrating legal and signatory obligations into the site’s processes and activities;
   c. Monitoring site compliance with legal and signatory obligations;
   d. Monitoring legal developments and identifying evolving areas of legal risk.

2.3.2. The site carries out regular legal compliance evaluations. In case of potentially non-complying situations, the site identifies the root causes and defines and implements actions to bring them into compliance.

2.3.3. The site maintains documentation to demonstrate regulatory compliance and consistence with social and environmental agreements it has committed to meet.

Guidance:

Legal obligations may be related to:

- Legislation, regulations and legally required codes or standards;
- Permits, licences and other forms of authorisation;
- Local by-laws;
- Decisions, directions, rulings or interpretations issued by relevant courts and tribunals.

Social and environmental agreements: This refers to agreements such as the United Nations Global Compact.

Criterion 2.4: Anti-Corruption

The site has effective procedures in place to combat corruption.

2.4.1. The site:
   a. Has identified and listed those parts of its operations and activities that pose high risks of participation in corruption;
   b. Has documented procedures to implement and monitor the application of its anti-corruption
policy (see requirement 1.1.1.d), including specific procedures that are applicable to the operations and activities that have been identified as high risk;

c. Investigates incidences of corruption and suspected corruption and imposes sanctions on workers for corruption and attempted corruption.

2.4.2. The site regularly reports to the public the names of political parties, politicians and public officers that have received financial or in-kind contributions directly or indirectly from the site, citing the total monetary value they have received.

2.4.3. The site regularly reports to the public the names of business associations, charities and think tanks that have received financial or in-kind contributions directly or indirectly from the site, citing the total monetary value they have received.

2.4.4. The site implements processes to verify the legitimacy of cash transactions.

2.4.5. The site sets criteria and approval processes for the offer and acceptance of third party financial and in-kind gifts, including hospitality and entertainment, and keeps records of given and accepted gifts.

2.4.6. The effectiveness of the site’s anti-corruption procedures is regularly reviewed by an independent and competent party. Root causes of corruption incidents are identified and actions to avoid recurrence are defined and implemented.

Guidance:

Lobbying: Any activity carried out to influence a government or institution’s policies and decisions in favour of a specific cause or outcome. Even when allowed by law, these acts can become distortive if disproportionate levels of influence exist – by companies, associations, organisations and individuals. (Adopted from Transparency International)

Facilitation payments: A small bribe, also called a ‘facilitating’, ‘speed’ or ‘grease’ payment; made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement (Adopted from Transparency International’s anti-corruption glossary)

In-kind gifts: These should include major charitable donations, sponsorships, community payments, and significant hospitality expenses offered in commercial circumstances.

Indirect contributions: For example, contributions made by a trade association that the site is a member of.

Sites may find ISO 37001 – Anti-bribery management systems useful for this criterion.

Criterion 2.5: Competence and awareness

Workers are competent and aware of their roles and responsibilities as specified within the site’s management systems.

2.5.1. The site has determined the competencies necessary for workers to implement their roles and
responsibilities as specified in its management system. Competence requirements are tailored to specific roles and there is an ongoing education and training programme tailored to specific roles.

2.5.2. The site reviews the education, experience, received training and performance of workers regularly to identify competence gaps.

2.5.3. Where gaps are identified, the site takes actions with workers to acquire and maintain the necessary competence and evaluates the effectiveness of the actions taken.

2.5.4. The site retains documented information as evidence of worker competence.

2.5.5. The site has processes in place to ensure that all workers are aware of their roles and responsibilities and are competent in their implementation.

2.5.6. Resources are assigned to enable implementation of the education and training programme and of actions the site takes with workers to acquire and maintain the necessary competence.

**Guidance:**

**Competence:** Ability to apply knowledge and skills to achieve intended results (adopted from ISO 14001:2015, Environmental management systems -- Requirements with guidance for use).

**Actions to acquire and maintain the necessary competence:** These can include, for example, provision of training, mentoring of workers, re-assignment of workers, hiring or contracting of competent persons. The actions must enable workers to understand and implement their roles and responsibilities as defined in the site's management system, which will include the following specific elements as referenced in this standard:

- Responsible sourcing policy and its requirements and procedures for implementation;
- Code of conduct and expected behaviour related to the code;
- Legal obligations and obligations resulting from social and environmental agreements that the site is a signatory to;
- Policies and procedures related to anti-corruption, forced, compulsory and child labour, diversity, anti-discrimination and disciplinary practices;
- OH&S-related procedures and the hazards and risks of workers’ specific roles, how to identify hazards and risks, and how to perform work safely, focusing on prevention and proactive controls;
- Processes for stakeholder engagement and culturally appropriate ways of interacting with stakeholder groups such as indigenous peoples and women;
- The concept of free, prior and informed consent (FPIC) and related processes;
- Security arrangements and procedures;
- Policies and procedures related to freedom of association and right to collective bargaining;
- Strategies, plans and procedures in relation to the corporate owner’s and the site's GHG-related commitments;
- Procedures for preventing and reducing noise and vibration and emissions to air, for preventing, detecting and mitigating spills and leakage, for managing waste and residues;
- Procedures related to the site's water stewardship plan and to the management of biodiversity.

**Principle 3. Occupational and Community Health and Safety**

**Objective:**

ResponsibleSteel certified sites provide safe and healthy working conditions for all workers, for their local communities and for other stakeholders.

**Background:**

Steelmaking is an inherently hazardous process and where accidents occur they can have serious or fatal consequences. One of the top priorities for any steel company is therefore health and safety. The ResponsibleSteel standard requires that a site implements an occupational health and safety (OH&S) management system in line with a recognised standard to provide a framework for managing OH&S risks and opportunities. However, ResponsibleSteel is not intending to create another management system standard. Instead, the standard focuses on success factors that allow a site to achieve high levels of performance when it comes to health and safety: Senior management leadership and accountability, engagement of workers and - where needed - of local communities and others, education and training, effective processes for identifying hazards and controlling risks, performance evaluation and monitoring. Recognising that the elimination of accidents is a continuous journey, the standard requires that sites care for and look after their workers in case accidents happen.

**Criterion 3.1: Occupational Health and Safety (OH&S) management system**

The site establishes, implements, maintains and continually improves an OH&S management system.
3.1.1. The site implements a documented OH&S management system that:

a. Assigns accountability for OH&S to senior management and documents OH&S responsibilities;

b. Covers the full scope of the site's activities, products and services;

c. Shows that the site has taken account of the needs and expectations of workers and other stakeholders that are affected by its activities, products and services;

d. Aligns with a recognised national or international OH&S management system standard.

3.1.2. The OH&S management system includes documented processes to:

a. Identify all applicable OH&S laws and regulations in relation to OH&S and ensure that relevant requirements are effectively implemented;

b. Identify and assess potential hazards and associated OH&S risks, including health and wellbeing risks, using competent persons and considering emerging and critical OH&S risks;

c. Determine and implement preventive and protective control measures aimed at eliminating hazards and reducing risks to levels that are as low as reasonably practicable, giving due consideration to industry best practice in determining and implementing control measures.

d. Consult with workers and seek their participation in OH&S matters and decisions;

e. Determine and implement education and training programmes for workers on OH&S matters;

f. Report incidents, including near misses, on an ongoing basis; undertake investigations, including reviewing absent or failed control measures, and implement effective actions to prevent similar incidents re-occurring in the future.

Guidance:

Recognised national or international OH&S management system standard: For example, ISO 45001:2018 Occupational health and safety management systems - Requirements with guidance for use, BS OHSAS 18001 (Occupational Health and Safety Assessment Series) until replaced by ISO 45001, or the Guidelines on occupational safety and health management systems ILO-OSH 2001 or any other National equivalent until replaced by ISO45001:2018 (e.g. AS/NZS 4801 in Australia & New Zealand).

Health and Wellbeing Risks include disease, mental health risks, burn out and risk that may show their impact after a longer period, such as asthma or hearing loss.

Effectiveness: Extent to which planned activities are realised and planned results achieved.

Hazard: Source with a potential to cause injury or ill health. Hazards can include sources with the potential to cause harm or hazardous situations, or circumstances with the potential for exposure leading to injury and ill health.

Critical OH&S Risks: Sites are advised to pay specific attention to adverse health and safety risks in the steel
industry associated with health and wellbeing risks (see definition above), process safety, electrical safety, working at heights, product handling, storage & transportation and the operation of equipment and any other risks sites may deem critical, including Health and Wellbeing Risks.

**Preventive and protective control measures:** These include modification, substitution and elimination of processes, conditions or substances that pose a hazard or health risk, as well as engineering and administrative controls (which can include documented OH&S standards) and personal protective equipment.

**Incident:** Occurrence arising out of, or during, work that could or does result in injury and ill health. An incident where injury and ill health occurs is sometimes referred to as an “accident”.

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**Criterion 3.2: OH&S policy**

The site has an OH&S policy that recognises the rights of workers and the obligations of employers and is consistent with ILO Convention 155 and with applicable national laws and regulations.

3.2.1 The site has a public formal OH&S policy that:

a. Is consistent with ILO Convention 155 and with applicable national laws and regulations;

b. Provides a framework for the setting of objectives for OH&S;

c. Is applicable to all workers and other stakeholders that are affected by the site’s activities, products and services;

d. Has been formally endorsed by the site’s senior management and its formal worker-management mechanism (see criterion 3.3 below);

e. Is communicated to all workers and relevant stakeholders using languages, methods and channels that are understood and are easily accessible to them.

3.2.2. The OH&S policy includes the following commitments:

a. To aim for elimination of OH&S hazards and for reduction of risks;

b. To provide a healthy and safe working environment in accordance with the obligations specified in ILO Convention 155;

c. To comply will all applicable laws and regulations in relation to worker health and safety.
Guidance:

**Worker**: Person performing work or work-related activities that are under the control of the organisation.

Persons perform work or work-related activities under various arrangements, paid or unpaid, such as regularly or temporarily, intermittently or seasonally, casually or on a part-time basis.

Workers include top management, managerial and non-managerial persons.

The work or work-related activities performed under the control of the organisation may be performed by workers employed by the organisation, workers of external providers, contractors, individuals, agency workers, and by other persons to the extent the organization shares control over their work or work-related activities, according to the context of the organisation. (Adopted from ISO 45001:2018(E). Occupational health and safety management systems – Requirements with guidance for use).

**Stakeholders**: Can include workers of external providers, contractors, individuals, agency workers, visitors, community members and by other persons to the extent the organization shares control over their work or work-related activities, according to the context of the organisation.

**Criterion 3.3: Leadership and worker engagement on OH&S**

The site demonstrates leadership and commitment with respect to OH&S, trains and educates workers on OH&S-related matters on an ongoing basis and has an effective, formal mechanism for worker engagement and participation in key OH&S decisions.

3.3.1. The site’s senior management has processes in place to demonstrate personal leadership and commitment with respect to OH&S, including:

a. Setting of company OH&S objectives and targets;

b. Engaging workers in key OH&S-related decisions;

c. Regular and effective management review of OH&S risks, opportunities and performance (see criterion 3.6 below).

3.3.2. The site has a formal mechanism that brings together site management and workers to discuss OH&S-related issues and to engage workers in decisions on key OH&S matters:

a. The purpose, structure, scope and formal rules of procedure of the mechanism, as well as the roles and responsibilities of those participating in the mechanism are documented;

b. Individual workers participating in the mechanism have been freely chosen by workers;

c. The mechanism has a balanced composition where neither site management nor worker interests dominate;

d. There are processes to ensure the competence of individuals participating in the mechanism;

e. There are processes to ensure the timely provision of comprehensive and accurate information to enable effective discussion and decision-making by participants.

3.3.3. Beyond the formal mechanism, the site implements processes to encourage worker participation to improve OH&S outcomes and provides a mechanism for workers to raise, discuss and participate in the resolution of OH&S concerns with senior management.

**Guidance:**

Voicing worker concerns in relation to OH&S issues is covered under principle 4.

**Formal rules of procedure** include, for example, rules on attendance, quorum and voting.
**Criterion 3.4: Support and compensation for work-related injuries or illness**

The site provides workers with support and compensation for work-related injuries or illness and cares for their dependents in case of work-related death.

3.4.1. The site has processes in place to provide care and support to injured or ill workers and support rehabilitation, including health and wellbeing.

3.4.2. In countries in which compensation for work-related injury, illness or death is not provided through a government scheme or collective bargaining agreement, the site has a public commitment to fully cover the costs and losses associated with work-related injury, illness or death.

3.4.3. To implement 3.3.2., the site has documented procedures for:

   a. determining and providing compensation to workers for work-related injury or illness, considering medical expenses, wages during the recovery and rehabilitation period, suitable duties during recovery and rehabilitation and, where recovery is not possible, lost future earnings;

   b. determining and providing compensation to workers if an occupational illness connected to the worker’s duties manifests after a worker has retired;

   c. determining and providing compensation to worker’s dependents in the event of work-related death.

3.4.4. The site keeps records on:

   a. incidents of work-related injury, illness or death;

   b. received claims to compensate for work-related injury, illness or death and how they have been dealt with;

   c. paid compensation and how the compensation amount was determined.

**Guidance:**

**Dependents:** Anyone who is wholly and partly dependent on the worker, such as spouses, children, parents, other family members.
### Criterion 3.5: Safe and healthy workplaces

The site's facilities, plant, infrastructure, workplaces, equipment and tools are safe and maintained in good order.

| 3.5.1. | The site provides safe facilities, plant, infrastructure, equipment and tools and ensures they are maintained in safe working order. |
| 3.5.2. | The site ensures that workers are provided with a safe and healthy working environment, which includes but is not limited to: |
| a. | clean and hygienic workplaces, including factory, offices, sanitation areas, food storage and meals break areas with seating; |
| b. | safe and accessible drinking water, free of charge; |
| c. | sanitation facilities commensurate with the number of workers and adequate for the gender of workers. |
| 3.5.3. | If workers are provided with on-site housing, the site ensures that such housing is maintained to a reasonable standard of safety, security, repair and hygiene, and is provided with sufficient and proper sanitation facilities, drinking water, and access to an adequate power supply. |

### Guidance:

**Plant, equipment and tools:** This covers all forms of mobile plant, fixed plant and powered and non-powered tools in use in the site’s facilities. For example, forklifts, cranes, trucks, hand tools and personal protective equipment (PPE).

**Facilities and infrastructure:** This includes the facilities of the steelworks and, as applicable, roads, railways, dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.
Criterion 3.6: OH&S performance

The site monitors and discloses key aspects of its OH&S performance and works to improve it over time.

3.6.1. The site monitors OH&S performance through a combination of leading and lagging indicators (see examples below) and keeps performance records. Performance is reviewed by senior management on a regular basis and necessary actions are taken to improve OH&S outcomes.

Examples of leading and lagging indicators include, but are not limited to the following:

a. **Lead Indicators**: Risk assessments, health assessments, progress on objectives, participation rates on OH&S initiatives, conduct of audits and inspections, results of effectiveness of controls monitoring, execution and effectiveness of preventative maintenance programmes, the conduct and effectiveness of OH&S training and meetings

b. **Lag Indicators**: Fatalities, lost time injuries, medical treatment cases, instances of occupational disease and other incidents and injuries

3.6.2. The site has a process to verify its performance data and regularly discloses key aspects of its OH&S performance to the public.

**Guidance:**

**Fatality**: Accidental death at workplace or arising out of work, including deaths due to occupational diseases.

**Lost time injury**: An injury that prevents a person from returning to his or her next scheduled shift or work period (including fatalities).

**Medical treatment case**: A workplace injury requiring treatment by a medical professional.

**Near-miss incident**: An incident where no injury and ill health occurs but has the potential to do so. May also be referred to as a “near-hit” or “close call”.

**Health and safety incidents**: Near-miss incidents as well as incidents resulting in any injury of ill health.
Criterion 3.7: Emergency preparedness and response

The site has identified and assessed emergency situations and has tested emergency preparedness and response processes in place to avoid and minimise impact of accidental and emergency situations.

3.7.1. The site has processes in place to identify and assess emergency situations on a regular basis.

3.7.2. The site has documented emergency preparedness and response processes in place to avoid and minimise loss of life, injuries and damage to property, the environment, health and social well-being of its workers, local communities and the environment in the event of accidental and emergency situations.

3.7.3. The documented emergency preparedness and response processes are developed and regularly tested with workers. Where potential emergency situations might affect local communities or neighbouring organisations, they are engaged in the development and testing of the processes, as are local authorities and emergency responders.

3.7.4. The emergency preparedness and response processes are included in worker and emergency responder training programmes and communication plans. Where relevant, the emergency preparedness and response processes are communicated to local authorities, local communities and neighbouring organisations.

3.7.5. The site monitors the effectiveness of its emergency preparedness and response processes. Where necessary, the site defines and implements actions to ensure the processes are effective.

3.7.6. The site anticipates and insures against the cost of reparation for accidents and emergency situations to ensure that funds are available for implementing effective emergency response, pay compensation for damages, injury or loss of life, and for the site to fund recovery and reconstruction in a timely and efficient manner.
Guidance:

Emergency preparedness and response processes should:

- Be specific to the different kinds of accidents and emergencies that may occur;
- Specify training requirements, roles and responsibilities, provision of equipment and resources, and communication plans with potentially impacted workers, communities and individuals.

Emergency Communication Plans should:

- Be developed in consultation with potentially affected stakeholders such as workers, local communities and authorities;
- Identify all affected stakeholders that will be informed of emergencies;
- Confirm that communication on emergencies will be issued to affected stakeholders immediately after the incident has been detected;
- Specify that the communication will contain the type and potential impact of the emergency, what the site will do to minimise impact, what affected stakeholders can do to minimise impact, and who to contact for any emergency-related inquiries;
- Prescribe that the site will issue regular updates on impacts and remediation action to affected stakeholders;
- Outline how to coordinate with emergency services;
- Describe how the site will respond to inquiries in a timely manner.

Principle 4. Labour Rights

Objective:

ResponsibleSteel certified sites respect the rights of workers and support worker well-being.

Background:

The 'Declaration on Fundamental Principles and Rights at Work' was adopted by the International Labour Organization (ILO) in 1998. In the Declaration, ILO member states agreed that they should all respect, promote, and realise core labour standards. These core labour standards require freedom to join a union, bargain collectively and take action, abolition of labour by children before the end of compulsory school, abolition of forced labour and no discrimination at work. While it is states that ratify ILO conventions, the provisions of the Declaration apply directly to steelmaking sites.

The ResponsibleSteel standard aligns with the core labour standards defined by the ILO. It applies a risk-based approach to child and forced labour, acknowledging that child and forced labour still exist in many places around the world, even in places where one might not expect them to occur. The standard further requires that workers
are treated with respect and dignity, are paid fairly and in a timely manner, and requires sites to take action to reconcile work and private life, support the health of workers and advance their qualifications.

The Labour Rights principle has strong links with the Human Rights and the Occupational Health and Safety principles and with the legal compliance criterion in the Corporate Leadership principle.

**Criterion 4.1: Child and juvenile labour**

The site does not engage in or tolerate child labour, cares for juvenile workers and effectively addresses detected incidents of child labour.

4.1.1. There is a public policy declaring that the site does not engage in or tolerate child labour. The policy commits the site to proactively identify and address risks related to child labour and to take action to remove child labour where it is detected, ensuring the continued welfare of the child.

4.1.2. The site has documented procedures to:

   a. Regularly investigate if there are children working at its site. The results of these investigations are documented;

   b. Regularly identify and document the risk of it being engaged in or contributing to child labour.

4.1.3. Where there is a risk that the site is engaged in or contributes to child labour, the site has a documented procedure for:

   a. Addressing these risks;

   b. Recording, investigating and addressing any allegations related to child labour;

   c. Taking action to remove child labour where it is detected, with provisions to ensure the continued welfare of the child.

4.1.4. The site’s contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use of child labour.

4.1.5. In relation to juveniles, the site has documented procedures to:

   a. Identify and document the types of work related to the site’s activities that might be hazardous or harmful to health or safety;

   b. Ensure that juveniles do not perform work that might be hazardous or harmful to their health or safety, do not work overtime or perform night-time work.

4.1.6. The site regularly reviews the effectiveness of its procedures related to child and juvenile labour. Where problems are identified, the site identifies the root causes and defines and implements measures to improve effectiveness.

**Guidance:**

**Child labour:** The site shall only employ or accept workers who are at least 15 years old, have reached
the applicable minimum legal age for employment, or who have passed the applicable age for compulsory education, whichever is highest.

**Juveniles** are defined as less than 18 years of age.

**Worker**: Person performing work or work-related activities that are under the control of the organization.

Persons perform work or work-related activities under various arrangements, paid or unpaid, such as regularly or temporarily, intermittently or seasonally, casually or on a part-time basis.

Workers include top management, managerial and non-managerial persons.

The work or work-related activities performed under the control of the organization may be performed by workers employed by the organization, workers of external providers, contractors, individuals, agency workers, and by other persons to the extent the organization shares control over their work or work-related activities, according to the context of the organization.

(Adopted from ISO 45001:2018(E). Occupational health and safety management systems - Requirements with guidance for use)

We will develop guidance on how the labour rights requirements, including child labour, are to be audited in **countries with strong laws and strong law enforcement**. Companies in these kinds of countries might be subject to a reduced set of requirements.

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**Criterion 4.2: Forced or compulsory labour**

The site does not engage in or tolerate forced or compulsory labour and effectively addresses detected incidents of forced or compulsory labour.

4.2.1. There is a public policy declaring that the site does not engage in or tolerate forced or compulsory labour. The policy commits the site to proactively identify and address risks related to forced and compulsory labour and to take action to remove forced or compulsory labour where it is detected, ensuring the continued welfare of the workers in question.

4.2.2. The site has documented procedures to:

   a. Regularly investigate if there is forced or compulsory labour at its site. The results of these investigations are documented;

   b. Regularly identify and document the risk of it being engaged in or contributing to forced or compulsory labour.

4.2.3. Where there is a risk that the site is engaged in or contributes to forced or compulsory labour, the site has a documented procedure for:

   a. Addressing these risks;

   b. Recording, investigating and addressing any allegations related to forced or compulsory labour;
c. Taking action to remove forced and compulsory labour where it is detected, with provisions to ensure the continued welfare of the workers in question.

4.2.4. The site’s contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use of forced and compulsory labour.

4.2.5. The site regularly reviews the effectiveness of its procedures related to forced and compulsory labour. Where effectiveness is lacking, the site identifies the root causes and defines and implements measures to improve effectiveness.

Guidance:

**Forced or compulsory labour:** Article 2, paragraph 1 of the ILO Convention C29 states:

For the purposes of this Convention the term forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

**Investigate if there is forced or compulsory labour:** Indications of forced and compulsory labour are:

- The freedom of movement of workers in the workplace, in on-site housing, or upon entering or exiting facilities associated with the site is unreasonably restricted;
- Workers’ original government-issued identification and travel documents, such as identity papers, are retained;
- Workers have to bear costs related to recruitment;
- Workers are prevented from terminating their employment after reasonable notice or as established by applicable law.

**Costs related to recruitment:** Any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection (Adopted from: *General principles and operational guidelines for fair recruitment / International Labour Office, Fundamental Principles and Rights at Work Branch (FUNDAMENTALS); Labour Migration Branch (MIGRANT) - Geneva: ILO, 2016*).

Examples for recruitment-related costs are: Agency service fees, recruitment or placement service fees, airfare or fare for other mode of international transportation, terminal fees, and travel taxes, costs or fees for passport, visa, work and/or residence permits (including renewals), pre-deployment skills tests, certifications, medical exams or other requirements for employment, training or orientation, transportation to and from airport to facility or provided accommodations, security deposits or bonds, etc.
### Criterion 4.3: Non-discrimination

The site's hiring decisions and employment relationships are based on the principle of equal opportunity, actively prevent all forms of discrimination, and promote workforce diversity.

#### 4.3.1. There is a public policy stating that the site:

- a. Prohibits discrimination in hiring and other employment practices;
- b. Provides equal pay for work of equal value;
- c. Where relevant, ensures that migrant workers are engaged on equivalent terms and conditions as non-migrant workers carrying out similar work.

#### 4.3.2. The site implements documented procedures to:

- a. Regularly identify, assess and address the risk that it causes or tolerates discrimination and keep records thereof;
- b. Document, investigate and address any incidents and allegations of discrimination;

#### 4.3.3. The site’s contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit discrimination.

#### 4.3.4. The site implements a programme to promote workforce diversity and gender equality.

#### 4.3.5. The site implements a programme to create a non-discrimination culture among workers.

#### 4.3.6. The site collects data demonstrating that it provides equal pay for work of equal value.

#### 4.3.7. The site regularly reviews the effectiveness of its procedures and programmes as well as its data related to non-discrimination, workforce diversity and gender equality. Where effectiveness of its procedures and programmes is lacking, the site identifies the root causes and defines and implements measures to improve effectiveness.

### Guidance:

**Discrimination:** Article 1 paragraph 1 of the ILO Convention C111 states:

“For the purpose of this Convention the term discrimination includes—

(a) any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;

(b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers’ and workers’ organisations, where such exist, and with other appropriate bodies.”

ResponsibleSteel adopts this definition and stresses that (b) above includes any distinction, exclusion or preference based on age, disability, ethnicity, HIV status, marital status, pregnancy, sexual
orientation, gender identity, union membership, or any other factor unrelated to a worker’s ability to perform their job.

Discrimination also includes requiring pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety or worker health.

Note that where local legislation or law requires positive discrimination in favour of local residents, indigenous peoples, or individuals who have been historically disadvantaged, this may not be regarded as discrimination.

**Workforce diversity:** Diversity can be defined as acknowledging, understanding, accepting and valuing differences among people with respect to age, class, race, ethnicity, gender, abilities, etc.

**Gender equality:** The concept that all human beings, including men and women, are free to develop their personal abilities and make choices without the limitations set by stereotypes, rigid gender roles and prejudices. It means that the different behaviour, aspirations and needs of women and men are considered, valued and favoured equally. It does not mean that women and men have to become the same, but that their rights, responsibilities, and opportunities will not depend on whether they are born male or female.

**Data demonstrating equal pay for work of equal value.** This may include data that:

- Shows the percentage of females in its workforce, in senior executive positions and on its board;
- Compares the relative pay of its male and female workers for equivalent categories of work;
- Compares the relative pay of its migrant and non-migrant workers for equivalent categories of work;
- Shows the mean gender pay gap, median gender pay gap;
- Shows the mean bonus gender pay gap, median bonus gender pay gap;
- Shows the mean and median pay gap between migrant and non-migrant workers;
- Shows the mean bonus and median bonus pay gap between migrant and non-migrant workers.

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**Criterion 4.4: Disciplinary practices**

The site does not engage in, threaten to use or tolerate disciplinary practices that undermine workers' dignity and effectively addresses detected incidents of such disciplinary practices.

4.4.1. The site has a public policy that prohibits threats or use of disciplinary practices that undermine workers' dignity (called 'undignified disciplinary practices' hereafter).

4.4.2. The site implements documented procedures that have been developed together with workers and their representatives to:

a. Regularly identify, assess and address the risk of undignified disciplinary practices being used or threatened to use and keep records thereof;
b. Document, investigate and address any incidents and allegations of undignified disciplinary practices being used or threatened to use;

4.4.3. The site’s contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use or threat of using undignified disciplinary practices under any circumstances.

4.4.4. The site regularly reviews the effectiveness of its procedures related to undignified disciplinary practices. Where effectiveness is lacking, the site identifies the root causes and defines and implements measures to improve effectiveness.

Guidance:

Disciplinary practices that undermine workers' dignity (called 'undignified disciplinary practices'):
These include corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion, or intimidation under any circumstances.

Criterion 4.5: Association and collective bargaining
The site respects and supports workers’ rights to freedom of association and collective bargaining.

4.5.1. There is a public policy stating that the site freely allows workers to associate with others, form or join organisations of their choice and bargain collectively, without interference, opposition, discrimination, retaliation or harassment.

4.5.2. Where national law restricts workers’ organisations, the site has evidence showing that it respects and supports legal alternative means for workers to associate.

4.5.3. There is a documented process for participating in collective bargaining processes that shows that the site:
   a. Participates in good faith;
   b. Provides workers’ representatives and workers’ organisations with the information needed for meaningful negotiation and does so in a timely manner;
   c. Does not hire replacement workers as a strategy to prevent or break up a legal strike, support a lockout, or avoid negotiating in good faith.

4.5.4. Where collective bargaining agreements exist, the site has evidence showing that it adheres to their provisions.

4.5.5. Where collective bargaining agreements exist, the site's contracts with employment and recruitment agencies and with other external providers of workers show that the provisions of these agreements apply to workers contracted by these agencies and providers.

4.5.6. Workers’ representatives have access to facilities suitable for carrying out their functions, such as designated non-work areas for communicating with workers.
**Guidance:**

ResponsibleSteel will develop guidance on how to take account of countries where the law requires workers to be part of worker organisations. Input on this is very welcome.

**Policy on association and collective bargaining:** This shall be in line with ILO Conventions C87 and C98.

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**Criterion 4.6: Hearing and addressing worker concerns**

The site ensures that issues of concern to workers are resolved. Workers and their representatives can communicate openly and safely with management regarding working conditions.

4.6.1. The site has documented procedures that can be used by workers and workers’ representatives to voice concerns and for the investigation of concerns. The procedures:

   a. Allow workers and their representatives to report concerns without fear of reprisal, intimidation or harassment. Workers and their representatives can choose to report concerns in an anonymous manner and via a third-party mechanism;

   b. Ensure that concerns are investigated and resolved in an impartial and timely manner, and that complainants are informed of the outcomes of the investigation;

   c. Ensure that records of raised concerns, investigation processes and outcomes are maintained.

4.6.2. Workers and their representatives are made aware of the site’s procedures and how to access reporting mechanisms using languages, methods and channels that are understood and are easily accessible to them.

4.6.3. The site regularly reviews the effectiveness of its procedures for reporting and investigating concerns. Where effectiveness is lacking, the site identifies the root causes and defines and implements measures to improve effectiveness.

4.6.4. The site provides mechanisms to workers and their representatives for suggesting improvements or changes to the workplace and to working conditions. The site keep records of received suggestions and how they are considered.

**Guidance:**

**Concerns:** These include worker grievances, allegations of misconduct, allegations of policy breaches in the areas of disciplinary practices, operational health and safety, etc.

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**Criterion 4.7: Communication of terms of employment**

The site ensures that workers understand their current employment terms with regards to wages, working hours and other employment conditions.

4.7.1. The site documents the terms of employment. The terms are communicated to workers at the
beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers. The terms of employment include:

a. Workers' rights under national labour and employment law;
b. Days and hours of work, payment, overtime, compensation, and benefits;
c. Applicable collective agreements;
d. Pay structure and pay periods;

4.7.2. The policy and procedures are communicated to workers and recruitment and employment agencies using languages, methods and channels that are understood and are easily accessible to them.

4.7.3. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly ask for the terms of employment to be communicated to workers at the beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers.

Guidance:
N/a

**Criterion 4.8: Remuneration**
The site pays workers fairly and in a timely manner, there are no inappropriate deductions from wages and overtime is rewarded.

4.8.1. The site has a public remuneration policy that commits the site to:

a. Pay at least the applicable legal minimum wage to all workers, or the prevailing industry standard, whichever is higher, plus any benefits required by law or contract;
b. Pay all workers for overtime hours at a premium rate in accordance with applicable laws. Where there is no law applicable to overtime, the site pays overtime hours at not less than 125 percent of the rate for contractually agreed standard working hours;
c. Pay workers in monetary means only.

4.8.2. The site has a documented procedure to ensure that workers are paid accurately, in a timely manner and that there are no wage deductions as a disciplinary measure, and keeps records confirming this.

4.8.3. For each pay period, workers are provided with a timely and understandable pay statement that includes sufficient information to verify accurate payment for performed work.

4.8.4. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly ask for the terms of employment to be communicated to workers at the beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers.
workers explicitly require them to pay workers in line with the site’s public remuneration policy and to provide the site with records showing that they pay workers accurately and in a timely manner.

4.8.5. Where there are on-site shops, the site ensures that goods and services are not offered above the regional market price and that workers are not coerced into buying goods and services from these shops.

4.8.6. If requested by the workers’ representatives, the site commits to introduce a living wage for its workers. The commitment requires the site to:

   a. Work with the regional government, other companies and, where they exist, with trade unions to define the regional living wage, unless it has already been defined;
   b. Develop a time-bound plan to implement the living wage over time.

Guidance:

**Wage**: Monetary remuneration computed on hourly, daily, weekly, or piece work basis (Adopted from *Business Dictionary*).

**Living wage**: The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. (Adopted from the *Global Living Wage Coalition*).

Existing living wage estimates and guidance on how to estimate the living wage can be found at https://www.globallivingwage.org/about/anker-methodology/ and https://www.globallivingwage.org/resource-library/?fwp_resource_type=livingwage

ResponsibleSteel will develop guidance on fly-in-fly-out sites that might warrant deviation from 8.7.1.f.

**Criterion 4.9: Working time**

The site complies with applicable law and industry standards on working time, overtime, public holidays and paid leave.

4.9.1. Where there are no laws and regulations regarding working time or in emergency or special situations such as fly-in, fly-out sites, the site has a public policy stating that:

   a. The workweek is restricted to 60 hours, including overtime, and workers have at least one day off every seven days. Regular workweeks do not exceed 48 hours;
   b. Activities requiring overtime work are accepted voluntarily by workers and are limited to a maximum of 12 hours a week;
   c. All workers are provided with appropriate time off for meals and breaks, meaning at least one break of at least 30 minutes per five-hour work day/shift, unless otherwise agreed in writing between the site and the workers through the local trade union or other workers’ representatives;
d. The site provides all workers with paid annual leave in accordance with ILO Convention 132.

4.9.2. The site’s contracts with employment and recruitment agencies and with other external providers of workers explicitly bind them to the provisions of the site’s public policy on working time and to provide the site with records showing that working time arrangements are in line with the policy.

4.9.3. The site grants paid parental leave, for birth or adoption of a child, of at least 4 weeks.

4.9.4. Where its activities allow this, the site offers flexi-time working and reduction of working time to care for children or disabled dependents.

Guidance:

**Workweek:** In case of fly-in-fly-out sites the weekly limitation of working hours might be exceeded.

**Fly in, fly out:** A method of employment used in remote areas. Employers will fly staff to the work site for a specific period of time, then fly them back to their home for a period of rest.

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**Criterion 4.10: Worker well-being**

The site promotes worker well-being through offers to reconcile work and private life, support the health of workers and advance their qualifications.

4.10.1. The site has a public commitment to promote worker well-being through the provision of measures that are aimed at reconciling work and private life, supporting the health of workers and advancing their qualifications.

4.10.2. The site has considered relevant laws and regulations and regional cultures and traditions in defining measures to promote worker well-being.

4.10.3. The measures to promote worker well-being are available to all workers employed by the site. The measures and how workers may access them are documented.

4.10.4. Uptake of the measures to promote worker well-being by workers is recorded and regularly reviewed. Where specific measures are not taken up over a longer period of time, the site considers amending or replacing them to add value to workers.

4.10.5. Workers employed by the site are made aware of the measures to promote worker well-being and how to access them using languages, methods and channels that are understood and are easily accessible to them.

Guidance:

**Measures to promote worker well-being:** Worker use of these measures must be optional rather than mandatory. Measures might include the following examples:

a. Kindergartens at the workplace or agreements with nurseries to care for their children at regionally common or reduced fees;
b. Company canteen, restaurant cheques or other catering programmes, provided that the use of these offers do not lower worker remuneration;

c. Free or reduced cost transport to workplace;

d. Site-organised and paid-for cultural, sports or recreational activities for workers and their families;

e. Grants, loans or subsidies for education and training offered to workers and their families at regionally common or reduced terms;

f. Insurance or health programmes for workers and their families at regionally common or reduced rates;

g. Care programmes in case of severe family illness or accident, including life insurance policies at regionally common or reduced rates;

h. Worker pension plans at regionally common or reduced rates.

Principle 5. Human Rights

Objective:
ResponsibleSteel certified sites respect human rights wherever they operate.

Background:
It has long been recognised that companies can have a profound impact on human rights. The United Nations 'Guiding Principles on Business and Human Rights' recognise this and state: "The responsibility to respect human rights requires that business enterprises:
(a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
(b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."

Sites wanting to become certified to the ResponsibleSteel standard must understand the risks they face and know what their impacts are in relation to human rights. This will enable them to act, where necessary, to ensure that they do not contribute to human rights violations. In line with this, the ResponsibleSteel standard takes a due diligence approach to human rights which can be summarised as: Identify, assess, act, review. Where sites operate in areas where there is a need for extensive measures to ensure security of people, property and assets, the ResponsibleSteel standard requires a similar approach for security personnel and public and private security providers.

Note that the ResponsibleSteel standard covers human rights also under its Local Communities, Labour Rights and Occupational and Community Health and Safety principles, even if the term ‘human rights’ is not contained in their titles or in their requirements.
Criterion 5.1: Human rights due diligence
The site acts diligently to avoid infringing on the rights of others and to address adverse human rights impacts.

5.1.1. In line with a documented procedure, the site has identified and assessed the human rights-related risks and adverse impacts that it causes or contributes to. The identification and assessment of human rights-related risks and impacts is updated on a regular basis and is informed by internal and external stakeholder input.

5.1.2. There is a public policy on the site's commitment to respect human rights. The policy reflects the results of the site's human rights risks and adverse impacts assessment.

5.1.3. Where it causes or contributes to human rights-related risks or adverse impacts, the site implements documented procedures to identify the root causes and to prevent and mitigate these risks and adverse impacts.

5.1.4. The procedures to prevent and mitigate human rights-related risks and adverse impacts are communicated to workers and local communities using languages, methods and channels that are understood and are easily accessible to them.

5.1.5. The site regularly reviews the effectiveness of its procedures in preventing and mitigating human rights-related risks and adverse impacts. Where the site has been the subject of controversy in relation to human rights impacts, the assessment of procedure effectiveness is conducted by a competent third party.

5.1.6. The site offers or facilitates human rights-related education and training to workers to promote awareness and understanding of human rights.

Guidance:

**Human rights** cover a wide range of impacts on people. There are civil and political human rights, such as the right to life, equality before the law and freedom of expression. Economic, social and cultural rights, such as the rights to work, social security and education, are also part of human rights, just like collective rights, such as the rights to development and self-determination. (Adapted from the United Nations Office of the High Commissioner for Human Rights and from United for Human Rights)

An authoritative list of the core internationally recognised human rights is contained in the International **Bill of Human Rights**, coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. These are the benchmarks against which social actors assess the human rights impacts of companies. The responsibility of companies to respect human rights is distinct from issues of legal liability and enforcement, which remain defined largely by national law provisions in relevant
Due diligence is an on-going, proactive and reactive process through which companies can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. (Adopted from the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas).

Contributes to: To help to cause an event or situation. For example, knowingly assisting in human rights violations, benefiting from human rights abuses committed by someone else, failing to raise the issue of systematic or continuous human rights violations with the appropriate authorities.

Reflects the results: For example, if the site's human rights risks and impacts assessment related to cultural and social rights (such as rights to health and water) showed that the site pollutes a near-by river through water discharges, the human rights policy should address water.

Subject of controversy: Controversy is a state of prolonged public dispute or debate, usually concerning a matter of conflicting opinion or point of view.

Criterion 5.2: Security practice

The site does not support public or private security providers engaged in illegal practices and works to ensure that security personnel and security providers respect human rights.

5.2.1. In areas where there is a need for extensive measures to ensure security of people, property and assets, the site:

a. Has a public policy on security arrangements that is in line with the Voluntary Principles on Security and Human Rights;

b. Consults with the government and with local communities on security arrangements;

c. Communicates the security arrangements to local communities using languages, methods and channels that are understood and are easily accessible to them;

d. Analyses the options for managing risk and avoiding threat to life of workers and visitors to the site and uses armed security only when there is no reasonable alternative.

5.2.2. The site has a documented security procedure that covers:

a. Screening of security personnel and public and private security providers regarding their involvement in human rights abuses and illegal practices;

b. Regular training of security personnel and providers on their roles and appropriate behaviour;

c. Deployment of security personnel and providers;

d. Monitoring of security personnel and provider conduct.

5.2.3. The site monitors the effectiveness of its security arrangements. Where effectiveness is
lacking, the site identifies the root causes and defines and implements actions to address the issues.

**Guidance:**

**Human rights abuses** occur when actions violate, ignore or deny human rights, including civil, political, cultural, social, economic and collective rights.

**Criterion 5.3: Conflict-affected and high-risk areas**

The site does not contribute directly or indirectly to armed conflict, human rights abuses or risks for workers and communities in conflict-affected or high-risk areas.

5.3.1. When operating in conflict-affected or high-risk areas, the site has a public policy confirming that it does not tolerate any direct or indirect support to non-state armed groups or their affiliates who:

a. Illegally control mine sites, transportation routes and/or upstream actors in the supply chain;

b. Illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded;

c. Illegally tax or extort intermediaries, processing companies, export companies or international traders.

5.3.2. For conflict-affected or high-risk areas, the site has documented procedures in place to:

a. Monitor its transactions, flows of funds and resources to ensure it is not directly or indirectly providing funding or support to non-state armed groups;

b. Immediately suspend or discontinue engagement with business partners where the site has identified a reasonable risk that it is linked to any party providing direct or indirect support to non-state armed groups.

5.3.3. The site monitors effectiveness of its procedures. Where its procedures fail, the site analyses the root causes for failure and defines and implements action to avoid recurrence.

**Guidance:**

Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law. (Adopted from the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](https://www.oecd.org/daf/development/53067972.pdf))
Principle 6. Local Communities

Objective:

ResponsibleSteel certified sites respect the rights and interests of local communities and avoid and minimise adverse impact.

Background:

Steelmaking sites have a relationship with the communities in which they operate. Community involvement helps strengthen civil society and sites that engage with their local communities and its institutions in a respectful manner reflect and reinforce democratic and civic values. Community involvement and development are both integral parts of sustainable development.

The Local Communities principle is closely related to human rights. It acknowledges the distinct rights of indigenous peoples and requires steelmaking sites to apply the concept of free, prior and informed consent where they operate in proximity to indigenous peoples, whether they are formally recognised as such or self-declared. The standard goes beyond community engagement in that it asks sites to support their local communities, recognising that the site is itself a stakeholder in its own community and shares common interests with it. Beyond this empowering element in the standard, sites must also respect the civil, economic, social and cultural rights that community members possess.

Community issues are also considered under the following principles:

• Stakeholder Engagement and Communication
• Occupational and Community Health and Safety
• Human Rights.

Impacts on communities are also covered in the principles on Closure and Decommissioning, Noise, Emissions, Effluents and Waste, Water Stewardship and in the criterion on Emergency preparedness and response.

Criterion 6.1: Commitment to local communities

The site is committed to respecting the health and safety, legal and customary rights and interests of local communities.

6.1.1. The site has a public policy reflecting its commitment to safeguard the legal and customary rights and interests, cultures, customs and values of local communities regarding lands, their use of natural resources and their livelihoods.

Guidance:

Indigenous peoples are part of local communities. Consequently, this principle includes consideration of...
indigenous peoples where they are affected by the site's activities, even if they are not singled out in the wording of the requirements. The term “indigenous peoples” is understood as described in Article 1 of ILO Convention 169. The criterion on Free, Prior and Informed Consent in criterion 6.2 applies to indigenous peoples, whether they are formally recognised as such or self-declared.

<table>
<thead>
<tr>
<th>Criterion 6.2: Free, Prior and Informed Consent (FPIC)</th>
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<tbody>
<tr>
<td>Where the site considers activities that might affect the rights of indigenous peoples, the site obtains the peoples’ free and informed consent prior to undertaking such activities.</td>
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</table>

6.2.1. Where new activities or changes to existing activities are planned, the site and affected indigenous peoples agree and document a process for obtaining FPIC that is consistent with the indigenous peoples’ traditional decision-making processes while respecting internationally recognised human rights.

6.2.2. The site achieves FPIC prior to the approval of new activities or changes to existing activities that might affect the lands, natural resources or cultural heritage that are subject to traditional ownership or under customary use by indigenous peoples.

6.2.3. The outcomes of the negotiations and any agreements reached between the site and the affected indigenous peoples are documented and approved by the parties as outlined in the FPIC process and are made accessible to the members of the affected indigenous peoples.

Guidance:

Free, prior, informed: We follow the definitions of the ‘Office of the United Nations High Commissioner for Human Rights’ (OHCHR), being:

- Free implies that there is no coercion, intimidation or manipulation.
- Prior implies that consent is to be sought sufficiently in advance of any authorisation or commencement of activities and respect is shown to time requirements of indigenous consultation/consensus processes.
- Informed implies that information is provided that covers a range of aspects, including the nature, size, pace, reversibility and scope of any proposed project or activity; the purpose of the project as well as its duration; locality and areas affected; a preliminary assessment of the likely economic, social, cultural and environmental adverse impact, including potential risks; personnel likely to be involved in the execution of the project; and procedures the project may entail. This process may include the option of withholding consent. Consultation and participation are crucial components of a consent process.

The site achieves FPIC prior to the approval of new activities or changes to existing activities:
Where FPIC was not obtained in the past, sites must demonstrate that they are operating in a manner that seeks to achieve the objectives of this criterion. For example, sites may demonstrate that
they have the free and informed consent of indigenous peoples for current operations by providing evidence of signed or otherwise verified agreements, or, in the absence of agreements, demonstrate that they have a process in place to respond to past and present concerns by indigenous peoples and to remedy and/or compensate for past impacts on indigenous peoples’ rights and interests. In alignment with this criterion, such processes should have been agreed to by indigenous peoples and evidence should be provided that agreements are being fully implemented by the site.

This criterion is not intended to reduce the primary responsibility of a State to consult with indigenous peoples in order to obtain their FPIC and protect their rights. However, in the absence of national laws, or in the exercise of their right to self-determination, some indigenous peoples may wish to engage with a site without State involvement.

If national FPIC laws exist, site shall abide by those laws. Where a State has established a legislative framework that requires or enables agreements between companies and indigenous communities, it may not be necessary for a site to run a parallel FPIC process based on this criterion. It would, however, be necessary for a site to demonstrate to ResponsibleSteel auditors that the process whereby the agreement was reached conformed with the ResponsibleSteel FPIC requirements and met the general intent of the FPIC criterion.

Criterion 6.3: Local community well-being
The site contributes to the lasting social and economic well-being of local communities.

6.3.1. The site has a public commitment to maintain or improve the social and economic well-being of local communities affected by its operations.

6.3.2. In consultation with local community and local government representatives, the site has developed a plan to implement its commitment to maintaining or improving the social and economic well-being of local communities. The plan:
   a. Outlines individual measures the site will take or support;
   b. Contains implementation timelines and shows the financial resources that the site will make available;
   c. Explains how the site’s support will contribute to the self-sustainment of the institutions, initiatives or projects receiving the support;
   d. Shows that the site has given consideration to marginalised community members;
   e. Is made public in a clear and understandable manner, using channels that are easily accessible for local communities.

6.3.3. Together with local community and local government representatives, the site monitors how the plan is implemented and adjusts the plan where needed to ensure it supports the social and economic well-being of the local communities affected by its operations.
Guidance:

Marginalised community members: People can be marginalised in many ways, with marginalisation embracing factors such as material deprivation, inadequate housing, low educational levels, high unemployment, poor health as well as discrimination and prejudice (Adapted from European Commission Briefing 'Cohesion policy and marginalised communities')

Examples of measures are:

• Local procurement, local business and local employment creation and support, as well as local capacity building and skills development;
• Financial or in-kind contributions, time or human resources support to local social service institutions (e.g. hospitals, schools, vocational centres) or to social, cultural, sports or environmental projects and activities;
• Help in building community capacity to oversee and sustain projects or initiatives with the aim of making them self-sustaining.

Criterion 6.4: Cultural heritage
The site respects and safeguards cultural heritage within its area of influence.

6.4.1. The site has a documented procedure for identifying and dealing with cultural heritage sites and values in its area of influence that:
   a. Has been developed in consultation with affected communities;
   b. Follows the mitigation hierarchy of avoiding, minimising, restoring and offsetting adverse impacts from the site's activities;
   c. Ensures continued access rights for affected communities to cultural sites or values.

6.4.2. The procedure is implemented in a collaborative effort by the site and affected communities.

6.4.3. Where critical cultural heritage exists in the site's area of influence, the site does not remove, significantly alter or damage it or instruct another party to do so, unless the affected communities request its removal for the purpose of protection and preservation.

6.4.4. Where cultural heritage sites or values of indigenous peoples may be impacted, the operating company applies the FPIC process (see criterion 6.2).

6.4.5. In cooperation with affected communities, the operating company monitors effectiveness of mitigation measures and defines and implements actions to address any issues.

Guidance:

Area of influence: This encompasses, as appropriate:

The area likely to be affected by: (i) the site’ activities and facilities that are directly owned, operated
or managed (including by contractors); (ii) impacts from unplanned but predictable developments caused by the site that may occur later or at a different location; or (iii) indirect site impacts on biodiversity or on ecosystem services upon which community livelihoods are dependent.

Associated facilities, which are facilities that would not have been constructed or expanded if the site did not exist.

Cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the site, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted.

(Adapted from IFC Guidance Notes: Performance Standards on Environmental and Social Sustainability, Guidance Note 1)

Cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.

Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognised heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.

The requirements of this criterion apply to cultural heritage regardless of whether or not it has been legally protected or previously disturbed. (Adapted from IFC Performance Standard 8, IFC Performance Standards on Environmental and Social Sustainability)

**Criterion 6.5: Displacement and Resettlement**

The site strives to avoid the need for displacement or resettlement but, where unavoidable, minimises its scope and the resulting adverse impacts.

6.5.1. Where physical and economic displacement of communities is being considered, the site:

a. Has procedures in place to identify and assess the risks and potential adverse impacts of that displacement on affected community members;

b. Considers alternative operational set-ups to avoid or minimise physical and economic displacement, including affected communities in the process and paying particular attention to adverse impacts on marginalised community members.

6.5.2. When physical displacement is unavoidable, the site develops a Resettlement and Compensation
Action Plan in consultation with the affected communities.

6.5.3. When economic displacement is unavoidable, the site develops a Livelihood Restoration Plan in consultation with the affected communities.

6.5.4. The site applies the compensation standards outlined in the Resettlement and Compensation Action Plan and in the Livelihood Restoration Plan consistently to all affected community members and ensures that compensation is completed by the time of the displacement.

6.5.5. When indigenous peoples are involved, the site applies the FPIC process (see criterion 6.2).

6.5.6. The site monitors implementation of the Resettlement and Compensation Action Plan and the Livelihood Restoration Plan together with affected communities. Where necessary, the site modifies Plan implementation to ensure that livelihoods, livelihood security and living standards are improved or restored.

6.5.7. The site commissions a competent third party to conduct a completion audit of the Resettlement Action Plan and Livelihood Restoration Plan to verify that mitigation measures have been adequately implemented and communicates the audit results to the public.

Guidance:

Displacement: A process by which development projects cause people to lose land or other assets, or access to resources. This may result in physical dislocation, loss of income, or other adverse impacts.

Resettlement (or rehabilitation): A process by which those adversely affected are assisted in their efforts to improve, or at least to restore, their incomes and living standards. (Adapted from the Worldbank)

Physical displacement: Relocation or loss of shelter

Economic displacement: Loss of assets, or access to assets, that lead to loss of income sources or other means of livelihood, as a result of land acquisition and/or restrictions on land use in connection with the operating company.

(Adapted from IFC Performance Standards on Environmental and Social Sustainability, Performance Standard 5).

Resettlement and Compensation Action Plan and Livelihood Restoration Plan: These are to be developed in line with the IFC Performance Standard 5.

Note that the requirements of criterion 6.5 apply to Displacement and Resettlement being considered or taking place in the ten years prior to applying for ResponsibleSteel certification. Where displacement and/or resettlement occurred earlier than that, the site is not expected to meet all the requirements of this criterion. However, where this is the case, the site must have undertaken an evaluation of the outcomes of displacement and resettlement activities and, if necessary, take steps to restore or improve the living conditions and livelihoods of those affected.

Steel making at existing production sites will usually not lead to physical displacement, so this criterion may only be partially relevant or may not be relevant at all. Note that there is principle on site Closure and Decommissioning, which may be related to economic displacement covered here under principle 6.
Principle 7. Stakeholder Engagement and Communication

Objective:
ResponsibleSteel certified sites effectively engage with their stakeholders, remediate adverse impacts they have caused or contributed to, and report openly on issues that matter to their stakeholders.

Background:
The concept of stakeholder engagement reflects changes in the corporate world, which increasingly recognises that poor stakeholder relations can result in business and reputational risks. The ResponsibleSteel standard understands stakeholder engagement as an inclusive and continuous process between a steelmaking site and those potentially impacted by it. Engagement focuses on issues that are relevant to stakeholders and is based on openness and fairness. Interacting with stakeholders when there doesn’t seem to be an urgent need to do so can be viewed as a low priority and not a particularly good use of scarce time and resources. However, if a conflict or crisis arises, the absence of established relationships and channels of communication will make it difficult for a site to manage the situation. For this reason, the ResponsibleSteel standard puts emphasis on the continuous nature of stakeholder engagement.

This principle focuses on stakeholder groups that are external to the operations of the site and does not cover engagement with suppliers, contractors, distributors or customers. In this context, stakeholders are understood to be persons or groups who are directly or indirectly affected by a site, as well as those who may have interests in a site or its impacts and can influence the achievement of its objectives, either positively or negatively. Stakeholders may include local communities and their formal and informal representatives, indigenous peoples, national or local government authorities, politicians, trade and labour unions, civil society organisations, marginalised groups, religious leaders, or the academic community.

Criterion 7.1: Stakeholder engagement

The site provides stakeholders with the means and opportunities to effectively engage on issues that matter to them.

7.1.1. The site has identified the stakeholder groups and individual stakeholder representatives who may be affected by or take an interest in the site’s activities.

7.1.2. The site understands the interests and concerns of stakeholder groups and individual stakeholder representatives and, in particular, the legal and customary rights, interests and concerns of local communities.

7.1.3. The site has consulted with stakeholder groups and individual stakeholder representatives on
accessible, culturally appropriate and inclusive methods of engaging them. The site undertakes efforts to understand and remove potential barriers to engagement for affected stakeholders, paying particular attention to marginalised groups.

7.1.4. The site has a documented stakeholder engagement plan scaled to its size and to the environmental and social risks and adverse impacts associated with its activities. Events and developments that warrant a review of the plan are described.

7.1.5. The stakeholder engagement plan reflects the site's commitment to:
   a. Engage with stakeholders on a regular basis and on issues that are relevant to them;
   b. Take account of stakeholder concerns in day-to-day business, in designing operational processes and in taking decisions that may affect them;
   c. Provide information to stakeholders in a manner that is timely, easy to understand and comprehensive enough for them to assess the matter at hand;
   d. Engage in a manner that is free from manipulation, interference, coercion or intimidation;
   e. Provide feedback to stakeholders on how significant concerns have been taken into account by the site.

7.1.6. The site documents key activities it undertakes to implement its stakeholder engagement plan, including material stakeholder input it received and resulting outcomes.

**Guidance:**

The International Finance Corporation’s (IFC) Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets can help companies plan and design their stakeholder engagement work.

Another useful resource is the AA1000 AccountAbility Stakeholder Engagement Standard. It is a global standard that supports organisations in assessing, designing, implementing and communicating an integrated approach to stakeholder engagement.

Sites should pay particular attention to marginalised groups when planning and implementing their stakeholder engagement work. Depending on the site's context, marginalised groups may be indigenous peoples, minorities, women, etc. IFC Guidance Note 7 provides useful advice on how to engage with indigenous peoples.

The purpose of a stakeholder engagement plan is to describe a site's strategy and programme for engaging with stakeholders (adapted from IFC). Stakeholder engagement may be conducted by different departments of the site who can be the owners of their topic-specific engagement processes. As such, the stakeholder engagement plan does not have to be an integrated stand-alone document. What is important though is that stakeholder engagement happens in a coordinated fashion across departments to ensure that it is not counterproductive.
# Criterion 7.2: Grievances and remediation of material adverse impacts

The site offers a grievance mechanism to address concerns and engages in remediation where it has caused or contributed to adverse impacts.

### 7.2.1. The site has a documented grievance mechanism that:

- **a.** Is readily accessible to all stakeholders;

- **b.** Includes an explanation of how the site will consider concerns or grievances that are raised, describing the process, responsibilities, contact details, approximate timeframe and how the party raising the issue will be informed of outcomes;

- **c.** Can be used to register issues in an anonymous and confidential manner, and without fear of retaliation;

- **d.** Is accessible at no cost to the party that raises the issue.

### 7.2.2. The site has documented procedures to:

- **a.** Register any issues raised;

- **b.** Determine an appropriate process to evaluate the issue and develop its response, in consultation with the party raising the concern;

- **c.** Provide and document its response, in line with its defined process.

### 7.2.3. Where concerns have been raised that the site has caused or contributed to adverse human rights, community health or safety impacts, the process for evaluation includes the participation of competent third parties in the collection and evaluation of evidence.

### 7.2.4. The site cooperates in legitimate processes for consideration of remediation, and if it is determined that it has caused or contributed to adverse human rights, community health or safety impacts, the site provides for remediation and ceases or changes the activity that was responsible for the impact.

### 7.2.5. When local communities are involved or affected, the site gives due consideration to their customs, traditions, rules and legal systems in addressing grievances.

### 7.2.6. The site involves local communities in monitoring and verifying that commitments made in response to grievances are implemented and provides opportunities for local communities to provide feedback on the effectiveness of the grievance mechanism.

## Guidance:

Steelmaking sites have many environmental and social impacts and so stakeholder concerns and potential grievances are to be expected. How a site responds to them or is perceived to be responding can have significant implications for business performance and for stakeholders. The site's grievance mechanism should be scaled to fit its level of risks and adverse impacts. It should flow from the site's broader stakeholder...
engagement process and business integrity principles and integrate the various elements of eng-

Having a good stakeholder engagement process in place can help prevent grievances from arising or from escalating to a level that can harm the site's performance.

Sites should consult the United Nations Guiding Principles on Business and Human Rights for the design of a grievance mechanism. Legitimate processes for remediation should be in line with the UN Guiding Principles.

The following guidelines might also be useful for sites:


Criterion 7.3: Communicating to the public

The site communicates on material social and environmental issues in a reliable and balanced manner, using methods that are appropriate to its stakeholder groups.

7.3.1. The site communicates on material social and environmental issues in a reliable and balanced manner, using methods that are appropriate to its stakeholder groups.

7.3.2. The site collects information on material topics and verifies the accuracy of that information in line with a documented process.

7.3.3. The site:
   a. Regularly makes information on material topics available to the public at no cost;
   b. Uses communication methods that are easily accessible to the public and that reflect prevailing cultural habits;
   c. Includes positive and negative aspects of site performance, where relevant, in its communication;
   d. Ensures comparability of information between reporting cycles;
   e. Includes actions the site has taken or plans to take with respect to the identified material topics.

7.3.4. Upon request, information relating to the site’s social and environmental performance is made available to stakeholders, unless the request for information concerning legitimate confidential business information or is evidently unwarranted.

Criterion 7.3.3.1. Consulting with stakeholders

7.3.3.1. In consultation with stakeholders, the site has identified which social and environmental topics are material to them.

7.3.3.2. The site collects information on material topics and verifies the accuracy of that information in line with a documented process.

7.3.3.3. The site:
   a. Regularly makes information on material topics available to the public at no cost;
   b. Uses communication methods that are easily accessible to the public and that reflect prevailing cultural habits;
   c. Includes positive and negative aspects of site performance, where relevant, in its communication;
   d. Ensures comparability of information between reporting cycles;
   e. Includes actions the site has taken or plans to take with respect to the identified material topics;
   f. Ensures comparability of information between reporting cycles;
   g. Ensures comparability of information between reporting cycles;
   h. Ensures comparability of information between reporting cycles.

7.3.3.4. Upon request, information relating to the site’s social and environmental performance is made available to stakeholders, unless the request for information concerns legitimate confidential business information or is evidently unwarranted.

Note that some principles of the ResponsibleSteel standard contain specific reporting requirements that are in addition to the generic requirements outlined above.
appropriate. In areas where this is not the case, more suitable forms of communication should be chosen. Sites should consider whether their forms of communication might disadvantage certain groups and ensure that these groups can access their information as well.

Sites should consult recognised reporting frameworks provided by the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) and others to understand what and how to communicate.

Principle 8. Climate Change and Greenhouse Gas Emissions

Objective:
The corporate owners of ResponsibleSteel certified sites are committed to reducing Greenhouse Gas (GHG) emissions in line with the global goals of the Paris Agreement, and certified sites are demonstrating the action needed to achieve this commitment.

Background:
The United Nations refers to climate change caused by man-made emissions of greenhouse gases as the defining issue of our time. Tackling climate change requires an unprecedented effort from all sectors of society. The steel sector, responsible for between 7% and 9% of global greenhouse gas emissions, has a critical role and responsibility.

The ResponsibleSteel standard’s requirements are written to support the Paris Agreement, which aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

a. Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;

b. Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and

c. Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

The standard requires that companies that wish to benefit from ResponsibleSteel certification of their sites must be committed, at the corporate level, to the goals of the Paris Agreement. In line the agreement’s reference to financial flows, the standard requires that such companies implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

At the site level, the standard focuses first on the consistent measurement, reporting, and disclosure of greenhouse gas emissions, following the applicable ISO standard 14404 developed with the support of the
World Steel Association for application to the steel sector. It then requires that sites set their own internal goals to reduce greenhouse gas emissions, and have credible plans in place to achieve these goals. Finally, it provides the basis for markets to recognise and reward sites that achieve low emissions, by requiring that their emissions data are made available to customers on a clear and consistent basis, allowing meaningful comparisons and choices to be made between steel produced at different sites. By doing so, the standard aims to create market advantage for steelmakers who show leadership at the corporate and site levels in addressing the critical issue of climate change.

The standard does not attempt to apply a full life cycle approach. It does not, for example, consider the implications of the use of alloys or coatings that would limit or extend the lifetime of a steel product, aspects that would make it harder or easier to recycle a product, or design aspects that would make it harder or easier to re-use a steel product. Nor does the standard consider downstream ‘in use’ greenhouse gas emissions. These aspects would need to be considered separately.

**Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement**

The site’s corporate owner has defined a long-term strategy to reduce its GHG emissions to levels that are compatible with the achievement of the goals of the Paris Agreement.

8.1.1. The site's corporate owner ascribes publically to a long-term, quantitative, science-based GHG emissions target or set of targets for the steel sector as a whole that is compatible with the achievement of the goals of the Paris Agreement.

8.1.2. The site's corporate owner has defined a long-term, quantitative, science-based GHG emissions target or set of targets for the corporation as a whole that is compatible with the achievement of the target(s) it recognises for the steel sector.

8.1.3. The site's corporate owner has a long-term strategy for the achievement of its corporate level GHG emissions target(s), identifying the conditions that would need to be in place for the successful implementation of the strategy, and the actions it is committed to take to help bring these conditions about.

8.1.4 The corporate owner reviews its strategy on a regular basis, documents the findings of the review, and updates the strategy to take account of the review’s findings.

**Guidance:**

A sectoral target compatible with the goals of the Paris Agreement is one which limits the global average temperature to well below 2°C above pre-industrial levels and supports efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

A long-term target in this context is one that has a time horizon of thirty or forty years.

The steel sector target specified by the Science-based Targets Initiative (SBTI) is recognised as an acceptable sectoral target, but other quantitative, scientifically validated targets (or sets of targets, for example for separate processes) may also be recognised.

A science-based target (SBT) validated by the SBTi would be sufficient to meet the requirements of 8.1.2, but
other quantitative, scientifically validated targets (or sets of targets, for example for separate processes) may also be recognised.

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<thead>
<tr>
<th>Criterion 8.2: Corporate Climate-Related Financial Disclosure</th>
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<tr>
<td>The site’s corporate owner(s) has implemented the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).</td>
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</table>

8.2.1. The site's corporate owner has allocated responsibility for oversight of climate-related risk and opportunity within at least one board committee charter, with an understanding that material climate-related risks and opportunities that impact business strategy will need to be discussed at the full board level.

8.2.2. The site's corporate owner has a time-bound plan in place to implement the four core recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) within the first period of certification and to disclose in accordance with applicable TCFD guidance:

- a. Its governance around climate-related risks and opportunities;
- b. The actual and potential impacts of climate-related risks and opportunities on its businesses, strategy, and financial planning where such information is material;
- c. How it identifies, assesses and manages climate-related risks;
- d. The metrics and targets it uses to assess and manage relevant climate-related risks and opportunities where such information is material.

**Guidance:**

- **Task Force on Climate-Related Financial Disclosures (TCFD):** Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017
- **TCFD guidance:** Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017.

Implementation in accordance with applicable TCFD guidance requires that the corporate owner makes the recommended disclosures associated with the four core recommendations.

The **ResponsibleSteel period of certification** is expected to be three years. A company which fails to meet its commitment will not be issued a certificate for any further period until the criterion has been fully met.

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<tr>
<th>Criterion 8.3: Site-level GHG emissions measurement and intensity calculation</th>
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<tbody>
<tr>
<td>The site’s direct and upstream GHG emissions are measured and recorded accurately and consistently.</td>
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</table>

8.3.1. Direct and upstream GHG emissions are determined and recorded for all significant sources of emissions within the scope of the assessment, in accordance with the requirements of ISO 14404-1: 2017, 14404-2013 or 14404-3: 2017 as applicable.
8.3.2. The GHG emissions intensity (metric tonnes of CO₂ equivalent/ metric tonne crude steel) for the crude steel produced within the scope of the assessment is calculated, recorded and verified in accordance with the requirements of ISO 14404-1: 2017, 14404-2013 or 14404-3: 2017 as applicable.

8.3.3. There is a system in place to determine the embodied GHG emissions associated with the site’s supplies of key raw materials (see Annex 2) on a regular basis, and the site has access to the resulting determinations.

8.3.4. Where the steelmaking site carries out energy intensive processing such as hot rolling or cold rolling downstream of the production of crude steel, the energy intensity for these facilities (energy use per metric tonne steel processed) is calculated and recorded in accordance with the requirements of a publically available and approved legal provision or international standard.

Guidance:

**Direct GHG emission:** GHG emissions from steel production facilities within the site boundary. Following ISO14404:2017 this refers to CO₂ emissions. (Adapted from ISO 14404:2017 Calculation method of carbon dioxide emission intensity from iron and steel production)

**Upstream GHG emission:** GHG emissions from imported material related to outsourced steel production activities outside the site boundary and from imported electricity and steam into the boundary. Following ISO14404 this refers to CO₂ emissions. (Adapted from ISO 14404:2017 Calculation method of carbon dioxide emission intensity from iron and steel production)

**Crude steel:** Steel in the first solid state after melting, suitable for further processing or for sale. Synonymous with raw steel (Adopted from worldsteel).

**Tonne (T):** A metric tonne, equivalent to 1,000 kilograms or 2,204.6 pounds or 1.1023 short ton (Adopted from worldsteel).

Reference to the requirements of ISO 14404 parts 1 to 3 is intended to ensure that data collection and determination of emissions intensities is implemented consistently across steel making sites and in alignment with the methodology developed by the World Steel Association, worldsteel, used as the basis worldsteel’s Climate Action programme.

**Credit CO₂ emission:** CO₂ emission that corresponds to exported material and electricity or steam. (Adapted from ISO 14404:2017 Calculation method of carbon dioxide emission intensity from iron and steel production)

Criterion 8.4: Site-level GHG emissions reporting and disclosure

The total GHG emissions intensity of the crude steel produced at the site is publicly reported on an annual basis.

8.4.1. The upstream, direct, credit and total CO₂ emissions for the site and the total GHG emissions intensity of the crude steel produced at the site (metric tonnes of CO₂ equivalent/ metric tonne crude steel), as determined in Criterion 8.3.2, are publicly reported on an annual basis.

8.4.2. The embodied GHG emissions associated with the site’s supply of key raw materials as determined in
Criterion 8.3.3 is publicly reported on an annual basis.

8.4.3 The site’s total electricity consumption, and the proportion of the site’s electricity consumption which is derived from coal, gas, nuclear and renewable sources is publicly reported on an annual basis.

Guidance:

Offsets: The use and reporting of offsets is not covered by this standard.

Criterion 8.5: Site-level GHG reduction targets and planning

The site is committed to reducing its GHG emissions and/or energy use to below the sectoral target level compatible with goals of the Paris Agreement in the mid- to long-term, and has a credible plan in place to achieve this.

8.5.1. The site has a mid- to long-term time-specific target for the GHG emissions intensity (metric tonnes of CO₂ equivalent/ metric tonne crude steel) and/or the energy use intensity for its production of crude steel (as applicable) in accordance with the following specifications:

a. For blast furnace – basic oxygen furnace (BF-BOF) steel production the target is aligned with the sectoral target compatible with goals of the Paris Agreement, in terms of the total GHG emissions per metric tonne crude steel produced, (see illustration in guidance below);

b. For scrap-based electric arc furnace production (scrap-EAF) the target is equal to or lower than the energy use intensity achieved by the top quartile of EAF facilities at the time of the assessment in terms of energy use per metric tonne crude steel produced;

c. For other production routes (for example, the use of DRI/Pig Iron in an EAF), targets are set for the separate facilities, equal to or lower than the GHG emissions efficiency achieved by the top quartile of equivalent facilities at the time of the assessment.

8.5.2 The site has a publicly available mid- long-term target for the proportion of its electricity consumption that will be derived from renewable sources.

8.5.3. The site has plans in place, approved by senior management, to achieve its specified targets for GHG emissions and/or energy use intensity within the specified timeline. The plan includes:

a. Time-specific milestones for each target from present through to the achievement of the mid- long-term target level;

b. Consideration of the technology, equipment, management system changes, or other options to achieve the targets over time;

c. Consideration of the costs of installing any specified technology or equipment;

d. Consideration of the proposed mechanism for financing the proposed technology or equipment

e. Consideration of external conditions that will need to be in place for the plan to be successfully implemented, or conditions that might prevent successful implementation.

8.5.4. Progress on the implementation of the plan is monitored and reported on a regular basis, including an
explanation of relevant issues such as changes to production in response to market conditions, closures for repairs or other significant factors, and the plan is updated if appropriate.

8.5.5 The site's mid- to long-term targets, as specified under criteria 8.5.1 and 8.5.2 and progress towards achieving these targets are reported publicly and on a regular basis.

Guidance:

Confidentiality: the content of the site’s plans are considered to be commercially confidential and shall not be disclosed by ResponsibleSteel or any auditors acting to verify compliance with the requirements of the ResponsibleSteel standard. The specified mid- to long-term targets, and progress towards their achievement, would however be reported.

Mid- to long-term: the mid- to long-term plan should cover activities planned for the following six to fifteen years, in accordance with the site’s financial and operational planning cycle. Longer term planning is also compatible with this guidance.

The specification of a mid- to long-term target to achieve a performance level aligned with the sectoral target compatible with goals of the Paris Agreement is intended to drive continuing improvement over time. The target level will be supported by the science of the day and will become more demanding over time, as illustrated in the hypothetical diagram below.

The specification of targets defined by today’s top quartile performance levels are similarly intended to drive continuing improvement over time, but in the case of EAF facilities recognise that reductions in GHG emissions associated with energy generation will typically be beyond the control of the management of the operating company itself.

In the case of other production routes the focus on comparison with other production facilities is intended to allow targets to be set where direct reference to sectoral targets may be particularly challenging.

It should be emphasised that the specification of the top quartile for the setting of a target does not limit ResponsibleSteel certification to 25% of operating companies. At any given time, every operating company

Objective:
ResponsibleSteel certified sites minimise emissions and effluents that have adverse effects on communities or the environment, manage waste according to the waste management hierarchy and taking account of the full life cycle impacts of waste management options.

Background:
Noise and emissions to air, soil and water can have highly adverse impacts on humans and the environment, and can result in significant financial and reputational damage to companies.

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<table>
<thead>
<tr>
<th>Criterion 8.6: GHG emissions performance</th>
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<tbody>
<tr>
<td>Customers are provided with actionable information about the GHG emissions intensity of the site's final products, in accordance with publicly available and approved legal provisions or internationally recognised standards.</td>
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8.6.1. The site commits to calculate and declare the total GHG emissions intensity for its final products in accordance with a publicly available and approved legal provision or international standard on request by a customer. If a declaration is made, the basis for such calculation, including any consideration of offsets or ‘credit CO₂ emissions’ is also available on request.

**Guidance:**

The **total GHG emissions intensity** for a final product will include any additional CO₂ emissions associated with processing after the production of crude steel, for example, CO₂ emissions associated with hot rolling. The figure for the final product may therefore be higher than the figure for total CO₂ emissions reported under 8.4.1 for the site’s production of crude steel.

A number of international standards may be used to determine the product-specific emissions intensity, and we have not required that a single standard must be used at this point. *ISO 20915:2018 Life cycle inventory calculation methodology for steel products* may be used.
The ResponsibleSteel standard takes the following approach to noise and vibration and air emissions: commit to achieving best practice, monitor, reduce where needed, track and verify performance. A similar approach is applied to spills and leakage. The waste and residues criterion applies ‘Life Cycle Thinking’ and the application of the Waste Management Hierarchy. The intent is to find the most appropriate waste management option, making sure that waste is avoided or recovered where possible, and disposed of in a responsible manner. The responsibility here extends to third parties that handle waste on behalf of the steelmaking site. The standard also requires that companies work to phase out the practice of waste and residues lagooning, which has been shown to pose significant risks to humans and the environment.

The criteria in the Noise, Emissions, Effluents and Waste principle are not applicable to office and other administrative buildings of a site since their impacts related to the criteria in this principle can be considered non-material.

The Noise, Emissions, Effluents and Waste principle has links with the Water and Biodiversity principles, so effective management here should have a positive effect on performance in relation to the other two principles.

The Occupational and Community Health Safety principle of the ResponsibleSteel standard covers worker exposure to noise and contains a criterion for Emergency Preparedness and Response, which is why requirements related to worker exposure to noise and emergencies are not covered here.

### Criterion 9.1: Noise and vibration

The site implements plans to minimise adverse impacts from noise and vibration on communities or the environment.

9.1.1. The site has a documented commitment to meet the International Finance Corporation (IFC) guidelines on noise management and best practice values for vibration within its first period of certification. Where the IFC guidelines are already met, the site has evidence to prove this.

9.1.2. The site has an ongoing monitoring programme that covers facilities and plants owned or fully or partly controlled by the site and that establishes baseline values that allow the identification of changes to noise and vibration levels.

9.1.3. The site implements plans to reduce noise and vibration impacts on communities or the environment that will achieve the following in its first period of certification:
   a. The values given in the IFC guidelines;
   b. Best practice values for vibration.

9.1.4. The site tracks its performance against the noise and vibration reduction plans. Where progress in achieving the noise and vibration values is lacking, the site revises and amends its reduction plans.

9.1.5. The effectiveness of the site’s noise and vibration reduction plans is regularly verified by a competent independent party. Where the site has been the subject of controversy in relation to noise and vibration,
verification is conducted by a competent third party.

**Guidance:**

IFC guidelines on noise management: [IFC Environmental, Health, and Safety (EHS) Guidelines, General EHS Guidelines, Environmental, Noise Management](#). Note that the IFC guidelines address noise beyond the property boundary of facilities.

Best practice values for vibration: To be identified

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**Criterion 9.2: Emissions to air**

The site implements plans to minimise emissions to air that have adverse impacts on communities or the environment.

9.2.1. The site has a documented commitment to meet the air quality guidelines of the World Health Organization (WHO) and regional best practice values for adverse emissions to air within its first period of certification. Where the WHO guidelines or best practice values are already met, the site has evidence to demonstrate this.

9.2.2. For emissions to air with adverse impacts on communities or the environment, the site has an ongoing programme that monitors direct emissions from facilities and plants owned or fully or partly controlled by the site and that establishes baseline values that allow the identification of changes to air emission levels.

9.2.3. The site implements plans to reduce emissions to air with adverse impacts on communities or the environment that will achieve the following in its first period of certification:

   - The values given in the WHO guidelines;
   - Best practice values for the site’s region and type of operation for the other monitored emissions to air.

9.2.4. The site tracks its performance against the air emissions reduction plans. Where progress in achieving the air emissions values is lacking, the site revises and amends its reduction plans.

9.2.5. The effectiveness of the site’s air emissions reduction plans is regularly verified by a competent independent party. Where the site has been the subject of controversy in relation to air emissions, verification is conducted by a competent third party.

**Guidance:**

**ResponsibleSteel period of certification** is expected to be three years. A company which failed to meet its commitment would not be issued a certificate for any further period until the criterion has been fully met.

**World Health Organization (WHO):** [Air quality guidelines for particulate matter, ozone, nitrogen dioxide and sulfur dioxide](#). Global update 2005. Sites must plan to meet the WHO guideline values, not the interim target values, within their first ResponsibleSteel period of certification. Note that the WHO Air Quality Guidelines are currently under revision with an expected publication date in 2020. When the revised air quality guidelines have
been published, they will be the benchmark for becoming certified to the ResponsibleSteel standard.

**Emissions to air that have adverse impacts**: emissions identified in the [European Union's (EU) Air Quality Standards](link) as being known to have adverse impacts. Sites are required to measure and monitor these emissions as a minimum requirement.

**Baseline**: A reference for measurable quantity, which can be used to measure an alternative result (adapted from the [Intergovernmental Panel on Climate Change (IPCC), Climate Change 2007 Synthesis Report](link)).

**Best practice values for the site's region**: For example, the [European Union's (EU) Air Quality Standards](link) for the EU, the [EPA National Ambient Air Quality Standards for the United States](link).

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**Criterion 9.3: Spills and leakage**

The site works to effectively prevent, detect, mitigate and remedy spills and leakage that cause harm to communities or the environment.

9.3.1. The site implements a preventive maintenance programme aimed at preventing spills and leakage. The programme includes:

a. Identification of structures, equipment and systems to which the programme applies;

b. Regular inspections of identified structures, equipment and systems;

c. Regular testing of such structures, equipment and systems;

d. The definition of corrective and preventive action where necessary to ensure structures, equipment and systems are in proper working order;

e. Keeping of preventive maintenance records.

9.3.2. The site has documented procedures for managing the impacts from spills and leakage: The procedures define:

a. How the impact from spills and leakage is to be analysed and assessed;

b. How mitigation and remediation of impacts from spills and leakage will be managed;

c. How mitigation and remediation progress is quantified where spill or leakage occurred.

9.3.3. The effectiveness of the site's prevention programme and management procedures for spills and leakage is regularly verified by a competent independent party. Where the site has been the subject of controversy in relation to spills and leakage, verification is conducted by a competent third party.

**Guidance:**

N/a

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**Criterion 9.4: Waste and residue management**
The site applies the waste management hierarchy to reduce its impacts from waste and residues and takes account of full life cycle impacts to find the waste management option with the least environmental impact.

9.4.1. The site implements a waste and residues management strategy that applies a waste management hierarchy informed by Life Cycle Thinking (LCT) to reduce adverse impacts from waste and residues on humans and the environment. As part of its waste management strategy, the site:

a. Characterises accruing waste and residues to identify their potential for waste avoidance and recovery, as well the disposal routes that pose the least risk and impact to humans and the environment for each type of accruing waste and residues;

b. Outlines measures for avoiding and mitigating risks and impacts from generation, storage, handling, treatment, transportation and disposal of the different types of accruing waste and residues;

c. Applies a policy that allows the discharge of residues to riverine, submarine and lake environments only in exceptional circumstances where this is socially and environmentally the best option. The exceptional circumstances are documented and reasoned.

9.4.2. The site addresses risks and impacts on humans and the environment that associated with the off-site movement and transportation of its accrued waste and residues. Where the site contracts third parties to conduct these activities on the site’s behalf, the site takes action to ensure that risks and impacts on humans and the environment are addressed.

9.4.3. When third parties conduct hazardous waste and residues storage, transportation and disposal on behalf of the site, the site requires chain of custody and ownership documentation to the final destination.

9.4.4. Where the site has or utilises on-site or off-site storage areas, the storage areas:

a. Effectively prevent the release of residues and leachates to the environment, considering potentially catastrophic events such as floods and earthquakes;

b. Are routinely checked and controlled by competent individuals to ensure their integrity.

9.4.5. The site manages cyanide according to the International Cyanide Management Code.

9.4.6. Where the site practices waste and residues, it has established a timeline and a roadmap to phase this out.

9.4.7. The site tracks its performance on managing waste and residues and has evidence of effective strategy implementation.

9.4.8. Effective implementation of the site's waste and residues management strategy is regularly verified by a competent independent party. Where the site has been the subject of controversy in relation to waste and residues, verification is conducted by a competent third party.

Guidance:
**Wastes:** Substance or objects, which are disposed of or are intended to be disposed of or are required to be disposed of by the provisions of national law. See ‘Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal’, Article 2, paragraph 1.

**Life-Cycling Thinking / Life-Cycling Assessment:** The fundamental objective of life-cycling thinking (LCT) is to be aware of the overall environmental impact of a product or service. It aims to ensure that no environmental impact is omitted when evaluating alternatives and to avoid simply shifting an environmental impact from one environmental medium to another. Under the conceptual framework of LCT, a number of quantitative decision-support methods exist, such as Life Cycle Assessment (LCA), which is the most widely used method of assessing and quantifying environmental aspects. ISO 14040 and ISO 140444 (Environmental management - Life cycle assessment - Principles and framework and Requirements and guidelines) have been developed to implement LCT and LCA.

When LCT/LCA are applied to waste management, the assessment typically focuses on a comparison of various waste management options, rather than covering the entire life-cycle of the products which have become waste. LCT/LCA applied to waste management therefore differs from product LCT/LCA, which accounts for the entire life-cycle of a product, in which waste management may play only a minor role. (Adapted from the European Commission’s Guidance on the interpretation of key provisions of Directive 2008/98/EC on waste)

**Waste management hierarchy:** Sets the following prioritises for the use of waste: i) avoidance including action to reduce the amount of waste generated, ii) resource recovery including re-using, recycling, reprocessing and energy recovery, consistent with the most efficient use of the recovered resources, iii) disposal including management of all disposal options in the most environmentally responsible manner.

**Hazardous and non-hazardous waste:** May be differentiated using national legislation, the European Union’s ‘List of Waste’ or the US EPA Resource Conservation and Recovery Act (RCRA) Regulations. For hazardous waste transported by or on behalf of the site, the ‘Basel Convention’ shall be used.

**Residue:** A substance or object which results from a production process which is not, in itself, sought for a subsequent use.

**Characterise accruing waste and residue:** Characterisation should include the source, quantity, hazardous/non-hazardous, production rate, composition, separation, treatment, storage, transport mode and route, destination and method of disposal.

**Measures for improved waste and residue management:** This includes technical measures, operational, production and management controls.

**Risks associated with off-site movement and transportation of waste and residues:** These may stem from routes taken, proximity to populated areas, use of sealed containers, regulation regarding transportation of hazardous materials.

**International Cyanide Management Code:** The International Cyanide Management Code focuses on the
safe management of cyanide that is produced, transported and used for the recovery of gold and silver, and on mill tailings and leach solutions. However, the standards of practice described in the Code are applicable to steelmaking as well.

**Principle 10. Water Stewardship**

**Objective:**

ResponsibleSteel certified sites demonstrate good water stewardship.

**Background:**

Global pressures on fresh water are rising rapidly. Due to a fast-growing world population and steady economic growth, the demand for fresh water is increasingly exceeding the amount that is available. Climate change will exacerbate the situation, with almost half of the world's population expected to be living in areas of high water stress by 2030. In addition, physical, regulatory and reputational risk means that there is a clear business case for managing water responsibly and sustainably. Water stewardship means that water users take responsibility for their own impacts on the shared resource and work with others to manage it sustainably. This is the approach that the ResponsibleSteel standard takes to water. The requirements are intended to align with the standard of the Alliance for Water Stewardship (AWS) and focus on understanding one's own water use and impact, catchment context and shared concerns in relation to water availability and quality - now and in the future. They go on to require that steelmaking sites engage in meaningful individual and collective action to ensure that the water resources they and others rely on are managed responsibly and sustainably.

The Water Stewardship requirements are not applicable to office and other administrative buildings of a site since their impacts related to the criteria in this principle can be considered non-material.

Note that water-related habitat, aquatic species and areas of cultural or religious importance are covered under the Local Communities and Biodiversity principles.

<table>
<thead>
<tr>
<th><strong>Criterion 10.1 Water-related context</strong></th>
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<tr>
<td>The site understands the current and future water-related needs and dynamics in its area of influence.</td>
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10.1.1. The site has defined its water-related area of influence, taking account of its operational boundaries, the sources it draws water from, the locations where it returns discharges to, and the catchment(s) it affects and relies on. The area of influence is reviewed on a regular basis.

10.1.2. The site contributes to integrated water resource management and policies by engaging in catchment governance fora or, where these do not exist, through other similar platforms.

10.1.3. The site works with stakeholders in its area of influence to identify and understand current and
potential future uses of water and shared water challenges of the catchment area. The analysis is updated on a regular basis and considers:

a. Seasonal and temporal variability in quantity and quality of surface and subsurface waters;

b. Climate change projections;

c. Anticipated population growth;

d. Natural and built water infrastructure;

e. And identifies any scarce and stressed water sources.

**Guidance:**

**Area of influence:** This encompasses, as appropriate:

- The area likely to be affected by: (i) the site’s activities and facilities that are directly owned, operated or managed (including by contractors); (ii) impacts from unplanned but predictable developments caused by the site that may occur later or at a different location; or (iii) indirect site impacts on biodiversity or on ecosystem services upon which community livelihoods are dependent.

- Associated facilities, which are facilities that would not have been constructed or expanded if the site did not exist.

- Cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the site, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted.

(Adapted from IFC Guidance Notes: Performance Standards on Environmental and Social Sustainability, Guidance Note 1)

**Catchment:** The area of land from which all surface runoff and subsurface waters flow through a sequence of streams, rivers, aquifers and lakes into the sea or another outlet at a single river mouth, estuary or delta; and the area of water downstream affected by the site’s discharge. Catchments, as defined here, include associated groundwater areas and may include portions of water bodies (such as lakes or rivers). (Adapted from Alliance for Water Stewardship: The AWS International Water Stewardship Standard, Version 1.0)

**Stakeholders in its area of influence:** For example, public and private water suppliers, other businesses, public sector agencies, local community and farmer representatives.

**Water infrastructure:** Systems of water supply, treatment, storage, transportation, management, flood prevention and hydropower.
**Criterion 10.2 Water balance and quality**

The site measures the flow of water in and out of its site and the quality of its water withdrawals and discharges.

10.2.1. The locations of the sources and ultimate sources that the site draws water from and the locations of the water bodies and ultimate water bodies to which the site returns its discharges are recorded and updated as needed.

10.2.2. The site maintains a water balance for its site and calculates efficiency of its water use.

10.2.3. The site monitors and keeps records of water quality on a continuous basis. Sampling of water:

   a. Is timed so that it takes account of seasonal fluctuations, storm and extreme events that may cause changes in water characteristics;

   b. Always occurs at the same specified points upstream of its water sources and downstream of a wastewater discharge point;

   c. Considers physical, chemical and biological aspects of water quality;

   d. Establishes thresholds aimed at providing early warning of negative changes in water characteristics.

10.2.4. In the absence of applicable regulatory standards, the site meets prevailing international water discharge and water quality standards.

**Guidance:**

**Efficiency of water use:** For example, use per unit of production.

**Ultimate source:** Sites may draw directly from water sources or indirectly by using service providers as intermediaries. The water source that the service provider draws from is the ultimate source.

**Water body:** A physical accumulation of water, either on the surface of the Earth or in stratigraphies of the ground. Examples of water bodies include streams, rivers, lakes, oceans, wetlands, estuaries, ponds, canals, reservoirs or ground waters.

**Ultimate water body:** The water body that ultimately receives water discharges. Sites may discharge directly to receiving water bodies or indirectly by using service providers as intermediaries.

**Water balance:** An approach used to measure the flow of water in and out of a site. The water balance is calculated as follows: Withdrawal volume = discharge volume + consumption volume + any change in the volume of onsite water storage.

**Consumption volume:** Volume of water that was used by the operation but not returned to its proximate source. (Adapted from Alliance for Water Stewardship: The AWS International Water Stewardship Standard, Version 1.0)
Monitoring: The systematic and routine collection of information.

**Prevailing international water discharge and water quality standards**: United States Environmental Protection Agency (US EPA) [National Recommended Water Quality Criteria](#).

### Criterion 10.3 Water-related adverse impact
The site evaluates its water-related adverse impacts on the local environment and communities.

10.3.1. The site has identified and assessed its current and potential future water-related environmental and social adverse impacts. The assessment:
   - a. Considers the quantity of water use and quality of water discharges;
   - b. Considers extreme events such as flooding or drought;
   - c. Takes account of stakeholder views;
   - d. Is updated at least every three years.

10.3.2. The site encourages other commercial water users in its area of influence to conduct their own environmental and social adverse impact assessments.

10.3.3. The site uses its best efforts to combine the findings of its own and other commercial water users' environmental and social adverse impact assessment to understand cumulative impacts in its area of influence.

### Guidance:

**Water-related impacts**: The standard of the Water Stewardship Alliance (AWS) and its guidance is a recommended source to consult on water-related impacts.

### Criterion 10.4 Managing water issues
The site addresses water-related challenges and adverse impacts in its area of influence.

10.4.1. The site integrates water considerations in its business planning.

10.4.2. The site engages stakeholders in its area of influence in the development and maintenance of a water stewardship plan. The plan:
   - a. Sets time-bound targets in relation to water use efficiency and quality that reflect best practice values for the site's region and type of operation or, where these do not exist, reflect prevailing international standards or guidelines;
   - b. Sets time-bound targets to achieve zero discharges of water that may have adverse impacts on communities or the environment;
   - c. Outlines how the site will contribute to addressing shared water challenges of the catchment area;
d. Outlines site measures to relieve any scarce and stressed water sources;
e. Is updated on a regular basis and made available to the public.

10.4.3. There are documented procedures for the implementation of the water stewardship plan.

10.4.4. The site tracks and documents its performance against the water stewardship plan. Where progress is lacking, the site reviews and adjusts the plan.

**Guidance:**

**Water stewardship:** The use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions.

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**Principle 11. Biodiversity**

**Objective:**

ResponsibleSteel certified sites protect and conserve biodiversity and maintain the benefits from ecosystem services.

**Background:**

Biodiversity means the diversity of life in all its forms. The diversity of species, of genetic variations within one species, and of ecosystems. Biodiversity plays a vital role in ecosystem functioning and in the services that ecosystems provide to humans. Ecosystems produce oxygen, purify and detoxify air and water, regulate the climate, form soil, prevent erosion and flood damage and produce raw materials, foods and medicines. Most of these ecosystem services cannot be replaced by technology and we as humans rely on them for our well-being and even for our survival. In addition, the diversity of societies, cultures and languages that has developed throughout human history is intimately related to biodiversity and its use. For all of these reasons, biodiversity conservation is an important and shared responsibility. Some of the places with a high value for biodiversity, culture and other values have been put under official protection or are conserved by communities or indigenous peoples.

The ResponsibleSteel standard requires steelmaking sites to take stock of what risk and impact they have on biodiversity and to implement a plan to manage these risks and impacts. The standard also expects sites to respect areas that are protected and conserved under various governance models and to safeguard areas that have been identified as being key for biodiversity.

The principles on Noise, Emissions, Effluents and Waste and on Water Stewardship are closely linked with the Biodiversity principle as it can be assumed that a site’s performance in these principles will indirectly help the site achieve the requirements of the Biodiversity principle.
Criterion 11.1: Biodiversity management
The site assesses its impacts on biodiversity and applies the mitigation hierarchy to manage them.

11.1.1. The site has made a public commitment to respect protected and conserved areas and to manage adverse impacts on biodiversity in line with the mitigation hierarchy.

11.1.2. The site has conducted an assessment of the biodiversity risks and adverse impacts resulting from its activities. The assessment includes the identification and consideration of risks to and adverse impacts on the following:

   a. Protected and community-conserved areas and Ramsar sites;
   b. Species on the IUCN red list, categorised as vulnerable, endangered or critically endangered;
   c. Key Biodiversity Areas;
   d. Natural and critical habitat, as well as modified habitat with significant biodiversity value;

11.1.3. The site's biodiversity risks and impacts assessment has been verified as being adequate and comprehensive by a competent independent party.

11.1.4. The site implements a management plan and associated procedures to address risks and impacts on biodiversity stemming from its activities and associated infrastructure.

11.1.5. The management plan:

   a. Follows the mitigation hierarchy;
   b. Defines biodiversity offsets that are aimed to achieve at least No Net Loss and that are carried out following best available information and current best practices;
   c. Is responsive to changing conditions and the results of monitoring to take account of the long-term complexities in predicting biodiversity impacts.

11.1.6. The impacts of the site's activities and associated infrastructure have been reviewed by a competent independent party and have been predicted as resulting in No Net Loss for biodiversity.

11.1.7. The site's biodiversity management plan is readily available to the public.

Guidance:

**Biodiversity:** Biodiversity - short for biological diversity - means the diversity of life in all its forms - the diversity of species, of genetic variations within one species, and of ecosystems. The importance of biological diversity to human society is hard to overstate. An estimated 40 per cent of the global economy is based on biological products and processes. Poor people, especially those living in areas of low agricultural productivity, depend especially heavily on the genetic diversity of the environment (Adopted from the Convention on Biological Diversity (CBD), Communication, Education and Public Awareness Toolkit).

**Mitigation hierarchy:** Prioritises the avoidance of biodiversity and ecosystem services impacts over the
minimisation and restoration of impacts. Biodiversity offsets to address residual impacts are defined only after avoidance, minimisation and restoration measures have been applied (Adopted from the CSBI’s ‘A cross-sector guide for implementing the Mitigation Hierarchy’).

**Biodiversity offset:** Measurable conservation outcomes of actions designed to compensate for significant residual adverse biodiversity impacts arising from commercial activities after prevention and mitigation measures have been taken (Adapted from Business and Biodiversity Offset Programme).

(Adopted from CSBI’s ‘A cross-sector guide for implementing the Mitigation Hierarchy’)

**IUCN red list:** The world’s most comprehensive inventory of the global conservation status of biological species. The status of species in the different regions of the world can be retrieved from the IUCN red list website.

**Key Biodiversity Areas (KBAs):** Sites contributing significantly to the global persistence of biodiversity. The KBA database shows identified KBAs.

**World Heritage sites:** Landmarks or areas which are selected by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as having cultural, historical, scientific or other form of significance, and are legally protected by international treaties. The sites are judged important to the collective interests of humanity.

**Protected Area:** A protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. (Adopted from IUCN). A global database of protected areas is maintained at: https://www.protectedplanet.net/.

Indigenous and community-conserved areas (ICCAs):

The IUCN protected areas management categories classify protected areas according to their management objectives. The categories are recognised by international bodies such as the United Nations and by many national governments as the global standard for defining and recording protected areas and as such are increasingly being incorporated into government legislation.

**Ramsar sites:** Wetland sites designated to be of international importance under the Ramsar Convention.

**Modified habitats:** Areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area’s primary ecological functions and species composition.

**Natural habitats:** Areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition.

**Critical habitats:** Areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species.
and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.

(Adopted from IFC Performance Standards on Environmental and Social Sustainability, Performance Standard 6)

**No net loss:** The point at which project-related impacts are balanced by measures taken through application of the mitigation hierarchy, so that no loss remains.

(Adopted from CSBI’s ‘A cross-sector guide for implementing the Mitigation Hierarchy’)

**Impact assessment:** The IFC provides useful guidance on impact assessment.

The **biodiversity risks and impacts assessment** should cover the site’s area of influence: This encompasses, as appropriate:

- The area likely to be affected by: (i) the site's activities and facilities that are directly owned, operated or managed (including by contractors); (ii) impacts from unplanned but predictable developments caused by the site that may occur later or at a different location; or (iii) indirect site impacts on biodiversity or on ecosystem services upon which community livelihoods are dependent.

- Associated facilities, which are facilities that would not have been constructed or expanded if the site did not exist.

- Cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the site, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted.

(Adapted from IFC Guidance Notes: Performance Standards on Environmental and Social Sustainability, Guidance Note 1)

The **biodiversity risks and impacts assessment** should consider:

- Input received from consultation with stakeholders such as authorities, conservation organisations, research institutions, and local communities;

- Threats to biodiversity, including habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution;

- Direct and indirect impacts on the landscape or seascape where the operating company operates;

- The importance of ecosystem services to the well-being of communities living in the operating company’s area of influence.

**Nutrient loading:** An increase in levels of nitrogen, phosphorus and sulfur due to commercial activity (Adapted from The Environmental Literacy Council).

**Ecosystem services:** Benefits people obtain from ecosystems. These include provisioning services such
as food and water; regulating services such as regulation of floods, drought, land degradation, and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other non-material benefits (Adopted from Biodiversity A-Z).

**Invasive alien species:** Plants, animals, pathogens and other organisms that are non-native to an ecosystem, and which may cause economic or environmental harm or adversely affect human health. In particular, they impact adversely upon biodiversity, including decline or elimination of native species - through competition, predation, or transmission of pathogens - and the disruption of local ecosystems and ecosystem functions.

Invasive alien species exacerbate poverty and threaten development through their impact on agriculture, forestry, fisheries and natural systems, which are an important basis of peoples’ livelihoods in developing countries. This damage is aggravated by climate change, pollution, habitat loss and human-induced disturbance. (Adapted from the CBD)

Note that invasive alien species might be introduced by steel companies in the form of seeds sitting on the iron ore, via ship ballast, etc. The Global Invasive Species Database (GISD) helps identify invasive alien species with negative biodiversity impact existent in a certain region.

### Criterion 11.2: Protected and conserved areas and natural and critical habitat

The site respects protected and conserved areas, important wetlands and areas of high value for biodiversity and species and habitats protection.

11.2.1. The site does not initiate activities or plan infrastructure in:

- a. World Heritage sites;
- b. Officially protected areas of the IUCN management categories I-VI;
- c. Indigenous and community-conserved areas (ICCAs) unless such activities are endorsed with the Free, Prior and Informed consent of the affected peoples and communities;
- d. Ramsar sites;
- e. Key Biodiversity Areas (KBA).

11.2.2. In the case of natural habitat, the operating company does not significantly convert or degrade them, unless all of the following are demonstrated:

- a. No other viable alternatives for development on modified habitat exist within the region;
- b. Consultation has established the views of stakeholders, including affected communities and indigenous peoples, with respect to the extent of conversion and degradation;
- c. Any conversion or degradation is mitigated according to the mitigation hierarchy and designed to achieve no net loss.

11.2.3. In the case of critical habitat, the operating company does not implement any activities or plan
infrastructure, unless all of the following are demonstrated:

a. No other viable alternatives for development on modified or natural habitat that are not critical exist within the region;

b. The activities and infrastructure do not lead to adverse impacts on those biodiversity values that constitute the critical habitat, and on the ecological processes supporting those biodiversity values;

c. The activities do not lead to a net reduction in the global, national or regional population of any critically endangered or endangered species.

11.2.4. In the event of downgrading, downsizing or degazettement of World Heritage Sites, Ramsar sites or protected areas of the IUCN categories I-VI, the operating company continues its no-go policy;

11.2.5. Where a World Heritage site, Ramsar site or officially protected area is established in, around or adjacent to the area of activity of an existing operating company, the operating company ensures that its activities do not lead to adverse impacts on those values for which the World Heritage site, Ramsar site or protected area was designated;

11.2.6. Where relevant, the operating company’s activities have been verified by a competent independent party as having no adverse impact on World Heritage sites, officially protected areas, indigenous and community-conserved areas, Ramsar sites or Key Biodiversity Areas.

Guidance:

IUCN categories I-VI: Where countries do not assign management categories to their protected areas, the site does not initiate activities or plan infrastructure that is incompatible with the value for which the respective protected area was designated.

Ecological processes: The four fundamental ecological processes of ecosystems are the water cycle, biogeochemical (or nutrient) cycling, energy flow and community dynamics, i.e. how the composition and structure of an ecosystem changes following a disturbance (succession). (Adopted from Biodiversidad).

Net reduction: Singular or cumulative loss of individuals that impacts on the species’ ability to persist at the global and/or regional/national scales for many generations or over a long period of time. The scale (i.e., global and/or regional/national) of the potential net reduction is determined based on the species’ listing on either the (global) IUCN Red List and/or on regional/national lists. For species listed on both the (global) IUCN Red List and the national/regional lists, the net reduction will be based on the national/regional population. (Adopted from IFC Performance Standards on Environmental and Social Sustainability, Performance Standard 6)

Degazettement: A loss of legal protection for an entire protected area (Adopted from Biodiversity A-Z).

Where relevant: For example, where the site has been the subject of controversy in relation to protected or conserved areas, or areas of high value to biodiversity, an independent or even third party verification should be considered.
Principle 12. Decommissioning and Closure

Objective:
ResponsibleSteel certified sites are committed to minimising the adverse short and long-term social, economic and environmental impacts of site decommissioning and closure.

Background:
The decommissioning and closure of a steelmaking site can span many years and have major adverse social and economic impacts on local communities. There are also environmental risks relating to structural wear and tear, fire or water damage where facilities and infrastructure are left idle, and water and soil contamination where they are dismantled. The ResponsibleSteel standard requires that sites anticipate these impacts, engage with those mostly affected on mitigation measures, and put in place mechanisms to manage these impacts. Third-party reviews of the site’s provisions for decommissioning, closure and post-closure transition are meant to ensure that certified sites leave a positive legacy, and transparency about decommissioning and closure plans helps workers and local communities cope with the effects of these events.

Criterion 12.1: Decommissioning and closure
The site takes provisions to minimise short and long-term social, economic and environmental implications of decommissioning and closure.

12.1.1. The site has a public commitment to manage decommissioning, closure and post-closure transition in partnership with workers, affected communities and local authorities.

12.1.2. When the decommissioning or closure of a site or of parts of a site has been announced, the site consults with workers, affected communities and local authorities on decommissioning, closure and post-closure plans, as applicable.

12.1.3. The decommissioning or closure and post-closure plans are approved by the site's senior management and:

a. Include implementation cost and timeline estimates;

b. Include provisions to mitigate adverse social and economic impacts on workers and local communities affected by site decommissioning or closure;

c. Aim at restoring ecosystems and habitats to their prior state, where ecological restoration is aimed at, or ensure that value is added to ecosystems and habitats;

d. Contain mechanisms for contingency and response planning and implementation.
12.1.4. In the case of closure, the plans:
   a. Describe the future use of facilities and infrastructure that are under the full or partial operational
control of the site at the time of closure announcement. The future-use-plans take account of
community preferences;
   b. Include provisions for post-closure monitoring and maintenance of plan implementation.

12.1.5. In the case of decommissioning, the plan describes measures to maintain idle facilities and
infrastructure and protect them from risk.

12.1.6. The site has financial assurance arrangements that:
   a. Cover implementation of the decommissioning, closure and post-closure plans;
   b. Guarantee that the funds will be available irrespective of the site's finances at the time of
decommissioning or closure;
   c. Are approved by the site's senior management and are reviewed by them to ensure their continued
adequacy in case of major changes to operations.

12.1.7. A competent third party confirms that the site's decommissioning, closure, post-closure plans, financial
assurance arrangements and any revisions thereof are adequate and feasible.

12.1.8. The site makes a summary of its decommissioning, closure and post-closure plans, financial
assurance arrangements and any revisions thereof available to the public at no cost, and provides contact
details for stakeholders to get more information.

**Guidance:**

**Decommissioning:** A formal process to remove facilities and infrastructure from their active status.

**Post-closure transition:** This period covers the time until the closure plan has been fully and effectively
implemented.

**Facilities and infrastructure:** This includes the facilities of the steelworks and, as applicable, roads, railways,
dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.

**Avoidance and mitigation strategies:** These may include access to education and training, early retirement
possibilities for older workers, relocation and job search assistance.

**Protect from risks:** Risks include, for example, water damage, freezing, snow load, structure wear and tear,
fire, flooding, intrusion.

**Competent third party:** Examples of this include regulatory bodies and auditing firms with relevant
experience.
Annex 1: ResponsibleSteel Standard Terms of Reference

1. **Objective**
   1.1 The objective of the ResponsibleSteel standard is to support the responsible sourcing and production of steel, as a tool for the achievement of ResponsibleSteel’s vision: to maximise steel’s contribution to a sustainable society.

2. **Change Mechanism**
   2.1 In order to achieve this objective, the ResponsibleSteel standard shall:
      a. Define the fundamental elements that characterise the responsible sourcing and production of steel, to the satisfaction of downstream customers, users and civil society supporters;
      b. Define a threshold level of performance in the implementation of these fundamental elements of ResponsibleSteel, that will encourage the broad participation of steelmakers in both developed and developing countries in the ResponsibleSteel programme, while meriting the recognition and endorsement of the programme’s civil society supporters;
      c. Define a target level of performance that represents the goal for achievement of these fundamental elements of ResponsibleSteel;
      d. Provide a basis for measuring and rewarding progress from the threshold towards target performance for all steel producers who participate in the ResponsibleSteel programme.

3. **Scope of Application and Issues**
   3.1 ResponsibleSteel standard shall be applicable globally and to all types of steel production, including Basic Oxygen Furnace (BOF) steelmaking and Electric Arc Furnace (EAF) steelmaking.
   3.2 The ResponsibleSteel standard shall include requirements that address the sourcing (and where relevant aspects of processing) of raw materials that are used for the production of steel and which have significant social and/or environmental impacts. Such raw materials include mined materials, refined metals for alloys and coatings, and pre- and post-consumer scrap metal for recycling.
   3.3 The ResponsibleSteel standard shall include consideration of the indirect emissions of greenhouse gases associated with energy generation (scope 2) as well as other (scope 3) indirect emissions of steelmaking.
   3.4 The ResponsibleSteel standard shall include requirements that address the key societal, social and environmental issues associated with the production of steel and the sourcing of its raw materials, including: Business Integrity; Climate Change and Greenhouse Gas Emissions; Emissions, Effluent Waste; Water Stewardship; Biodiversity and Ecosystem Services; Human Rights; Local Communities and Indigenous Peoples; Labour Rights; Occupational Health and Safety; Legacy Issues.

4. **Recognition of Other Sustainability Programmes**
   4.1 Where the ResponsibleSteel standard’s objectives can be achieved most effectively through the recognition of performance requirements defined and verified by other sustainability programmes in
accordance with ResponsibleSteel’s requirements, this shall be the preferred approach.

4.2 This approach shall be applied, in the first instance, to the recognition of programmes covering the responsible sourcing of raw materials.

5. **Content and Structure**

5.1 The ResponsibleSteel standard shall include introductory sections describing its objectives, its scope of application, and providing a general description of the mechanisms for its verification and of the claims that may be made by businesses that are verified as complying with the standard’s requirements, and by their customers.

5.2 The ResponsibleSteel standard shall include the date on which it is ratified, and in the case of an updated version any transition period that may apply before the updated version comes into effect.

5.3 The ResponsibleSteel standard may include sections that are applicable to specific categories of users, if this is necessary to ensure that the standard can be applied to all categories of users within its scope of application.

5.4 The ResponsibleSteel standard shall include requirements for the collection and/or collation of the long-term data necessary for ResponsibleSteel to monitor the efficacy of the ResponsibleSteel standard in achieving its objectives.

5.5 The requirements of the ResponsibleSteel standard:

   a. Shall be drafted so that conformity can be assessed for any applicant within the scope of the ResponsibleSteel standard without the need for subsequent modification or adaptation;

   b. Shall be drafted to minimise ambiguity in interpretation;

   c. May be expressed in terms of process, management or performance requirements;

   d. Shall not be intended to favour any specific technology or patented item.

6. **Glossary of Key Terms**

6.1 The ResponsibleSteel standard shall include or reference a glossary of key terms required to guide its consistent interpretation and implementation.
Annex 2: The steel sector's core raw materials

List of the most important raw materials used for steelmaking, developed for worldsteel by The Dragonfly Initiative.

- Aluminium (metallic)
- Charcoal
- Coal
- Metallurgical Coal
- Coke
- Cobalt
- Calcium (cored wire)
- Dolomite
- Ferro-Aluminium
- Ferro-Boron
- Ferro-Chromium
- Ferro-Manganese
- Ferro-Molybdenum
- Ferro-Nickel
- Ferro-Niobium
- Ferro-Phosphorous
- Ferro-Silicon
- Ferro-Titanium
- Ferro-Tungsten
- Ferro-Vanadium
- Graphite
- Iron ore
- Iron (pig)
- Limestone
- Magnesia
- Molybdic Oxide
- Silico-manganese
- Tin
- Zinc