Guidance on Defining the Certification and Audit Scope

January 2020
Introduction

This document has been written for sites and certification bodies that want to engage in ResponsibleSteel certification.

It is to be read in conjunction with the following documents:

• Guide 'ResponsibleSteel Certification for Sites'
• Assurance Manual (for certification bodies only)

This is a working document that will be updated as appropriate to reflect experience gained with ResponsibleSteel audits and to add good practice examples. You are therefore advised to visit https://www.responsiblesteel.org/certification from time to time to check for more recent versions.

If you have any questions, please contact us via assurance@responsiblesteel.org. We also welcome any feedback on this guidance document and on ways to improve it.
Defining the certification scope

**Guidance on facilities located off-site:**

Where facilities providing pre-processed materials and utilities or intermediate products to the site are under the control of the client, but are not physically located on-site, common sense should guide the judgement of sites and auditors in deciding whether they should be part of the certification scope.

To give an example: A site that produces long and flat steel products for the construction sector has outsourced intermediate processing, in this case the hot rolling of blooms, billots and slabs, to mills that are located a few hundred kilometres away. Even though the hot rolling is directly related to the site’s steel processing and is under the control of the certification client, the intermediate processing facilities should be out of scope because of their large geographic distance to the site. The distance would result in a huge audit scope (see the guidance below) which would mean that the audit is not viable. If the intermediate processing facility were a few kilometres down the road from the site seeking certification, it should be in scope.

The image on the next page illustrates this example.
Out of scope

If near the site, in scope
If further away, out of scope

Defining the certification scope

Image: © newsteelconstruction.com
Defining the certification scope

**Guidance on raw material extraction and transportation:**

As the above image shows, facilities and associated activities related to raw material extraction and transportation are out of scope of the current version of the Assurance Manual and can therefore not be included in the certification scope.

Later in 2020, ResponsibleSteel will define further Requirements for responsible sourcing. These are likely to demand that a certain amount of raw materials used at the site is sourced from mines that are certified to a mining certification programme that ResponsibleSteel considers to be aligned with its vision and mission. Working to achieve these additional Requirements will not be a condition for continued site certification, but it will be a condition for product certification. A certified site can call itself a ‘responsible site’ while a site that also meet the additional sourcing requirements will be able to communicate that its ‘steel products have been sourced and produced responsibly’ (note that the exact communication statements are still to be decided).

There may be instances where there is a site with a steel plant and a mining operation. The mining operation would be out of scope of the audit and certification, as would be activities that can clearly be attributed to the mining operation, such as resettlement of local communities to expand the mine. You should document such instances in the audit and certification scope.
Defining the certification scope

**Principles, Criteria and Requirements of the ResponsibleSteel Standard that are not applicable to the site:**

For example, the below do not apply under the following circumstances:

- Principle 12 if no site decommissioning or closure has been announced
- Criterion 5.2 on security practice, where the site does not use security providers
- Criterion 7.4 on displacement and resettlement, if displacement or resettlement did not take place and is not planned to take place
- Criterion 7.2 on free, prior and informed consent, if there are no indigenous peoples in the site's area of influence
- Criterion 7.3 on cultural heritage, if there is no cultural heritage in the site's area of influence.

It should be noted that human rights, water stewardship and biodiversity generally apply to all sites.

If a site claims that certain Principles, Criteria and Requirements are not applicable, this has to be justified.
Defining the audit scope

**Guidance on 'area of influence':**

The ResponsibleSteel definition of 'area of influence' is based on the International Finance Corporation's IFC Performance Standards on Environmental and Social Sustainability. IFC developed the concept of 'area of influence' mainly for greenfield projects to help capture and reduce impacts that occur when a site is being built. However, the ResponsibleSteel Standard applies to existing sites and, apart from some exceptions outlined in the Standard, sites cannot be held accountable for past events. Steel sites are also usually located in industrialised areas with various other manufacturing companies in their vicinity, which makes the attribution of environmental impacts to an individual site very complex. Due to these reasons, the IFC definition has been amended for the purposes of ResponsibleSteel certification. In the ResponsibleSteel context, the area of influence and thus the audit scope helps identify the stakeholders that should be informed of the audit to give them the opportunity to provide input. For some readers, it might be helpful to think of a 'sphere' rather than of an 'area' of influence, which has a strong spatial connotation.
Defining the audit scope

**Guidance on 'area of influence' continued:**

If you are not sure how to define the audit scope and thus the area of influence, here are some tips:

- Look at the site’s stakeholder list and the media articles and other publications that deal with the site. The area of influence should include the organisations and individuals that are on the site's list or are speaking about the site. Note that the relations with some stakeholders might be fostered by the head or group-level office rather than the site (e.g. stakeholders in politics). If these stakeholders are relevant for the site, they should be part of the site's area of influence.

- Consider the ResponsibleSteel definition of stakeholders (see the Glossary on [https://www.responsiblesteel.org/certification/](https://www.responsiblesteel.org/certification/)). Are the kinds of stakeholders mentioned in that definition active in the site's region? If so, look at the site's stakeholder list to see if anyone is missing and add them.
Defining the audit scope

**Guidance on 'area of influence' continued:**

- Look at geographic data, for example on Google Maps, to see whether there are any natural or cultural protected areas close to the site. Civil society organisations, authorities and other groups that manage these protected areas or otherwise look after them should be part of the area of influence.

- Geographic data also shows you communities that are located nearby and could be affected by the site's activities. Representatives of those communities should be included as well.

- Consider any complaints that have been received by the site. Who submitted the complaints? Are they on the stakeholder list?

The graph below illustrates what the area of influence could look like from a geographic perspective.
Defining the audit scope

Site

- Cultural heritage → manager, management authority
- Local community
- Protected area → manager, management authority

Area of influence

- Access road
- River
- Article on trade union activities → mentioned trade union
- Study on site’s air emissions → author(s)