Steel Product Certification Working Groups: Agenda

Agenda:

• Introduction:
  • Anti-trust policy and statement
  • Chatham House Rule* approach
  • Recording only for purpose of internal record
  • Who’s in the room
  • 2 sessions for each working group

• Résumé of working groups process and overall objectives
• Introduction to key questions/ options for all three groups
• Notes on comments in advance of WG meetings
• Review and discussion of options

• Next steps

*Chatham House Rule: a rule or principle according to which information disclosed during a meeting may be reported by those present, but the source of that information may not be explicitly or implicitly identified.
“Attendees are kindly reminded that ResponsibleSteel™ is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an Antitrust Policy, compliance with which is a condition of continued ResponsibleSteel™ participation. Failure to abide by these laws can have extremely serious consequences for ResponsibleSteel™ and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals. You are therefore asked to have due regard to this Policy today and in respect of all other ResponsibleSteel™ activities.”
Our Vision
Steel’s contribution to a sustainable society is maximised

Our Mission
To enhance the responsible sourcing, production, use and recycling of steel by:
• Providing a multi-stakeholder forum to build trust and achieve consensus;
• Developing standards, certification and related tools;
• Driving positive change through the recognition and use of responsible steel.

All of these elements are important, but ResponsibleSteel will focus first on the responsible sourcing and production of steel
ResponsibleSteel steel product certification is about driving demand for low GHG steel products made in ResponsibleSteel certified sites, using raw materials from certified mine sites.
Three integrated working groups on Steel Product certification requirements

<table>
<thead>
<tr>
<th>1. Raw Materials WG</th>
<th>2. GHG WG</th>
<th>3. Steel Product Claims WG</th>
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</thead>
<tbody>
<tr>
<td>To agree the criteria for recognition of mine level assurance programmes by ResponsibleSteel.</td>
<td>To agree a standard to measure and report the GHG emissions intensity for crude steel production consistently for all steel producers, as the basis for subsequent claims about the GHG emissions associated with ResponsibleSteel certified steel products.</td>
<td>To agree the framework for making claims about the ResponsibleSteel certified status of steel products, that will drive the greatest improvements in social and environmental performance related to the sourcing and production of steel.</td>
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<td>To agree the requirements to be met for the sourcing of the raw materials for steelmaking, in order to make claims about the ResponsibleSteel certified status of steel products.</td>
<td>To agree one or more performance levels in relation to the GHG emissions intensity of steel production that will need to be met in order to make claims about the ResponsibleSteel certified status of steel products.</td>
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<tr>
<td>To agree one or more performance levels in relation to raw material sourcing, that will need to be met in order to make claims about the ResponsibleSteel certified status of steel products.</td>
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Standard Development Procedures

Available on RS website: [https://www.responsiblesteel.org/resources/](https://www.responsiblesteel.org/resources/)

Key elements:

- Procedure and ToR approved by Board
- Any modifications to procedure/ ToR to be approved by Board
- Secretariat leads drafting process, with oversight by Board Standards & Assurance Committee
- Secretariat may draw on experts to advise and support the development of drafts (working groups)
- Secretariat responsible for public stakeholder consultation (60/30 days minimum) and consultation with members (reference group)
- Standards & Assurance Committee recommends when draft is ready to be submitted to membership for vote
- Members vote on requirements, with double majority (business and civil society) required for approval
Approach and timeline

1. Requirements for raw material sourcing
2. Requirements for specification of GHG emissions for steel products
3. Framework and specification of threshold(s) for claims about steel products.
   - Approval, and integration of requirements with existing standard for site certification
4. Specifications for claims about final products to be developed in 2021
Standard Development process

- Virtual WG meetings (22 & 24 April)
- Draft with options published for 30-day public stakeholder consultation (May)
- Virtual WG & Members meetings (24 & 25 June)
- Near to final draft (July)
- 30-day public stakeholder consultation
- Virtual WG & Members meetings (14 & 15 Sept?)
- ‘Legal’ review and finalisation
- Formal board and membership approval
- Integration with site requirements, logo use guidance, guidance on specifying ResponsibleSteel certified steel products, etc.
## 3. Steel Product Claims WG

To agree the framework for making claims about the ResponsibleSteel certified status of steel products, that will drive the greatest improvements in social and environmental performance related to the sourcing and production of steel.

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<th>Key questions to resolve</th>
<th>Some issues to consider</th>
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<td>• One logo/claim/specification option only, or option of multiple levels?</td>
<td>• Would a single threshold or several different levels be a better fit for downstream standards such as BREEAM, USGBC-LEED, SURE, DriveSustainability, GBC-Australia?</td>
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<td>• How to combine/communicate both GHG and raw material sourcing performance or should these be entirely separate and independent?</td>
<td>• Are there differences between the preferred options for different downstream users (e.g. construction, automotive, infrastructure)?</td>
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<td>• Is the reporting of key performance data important, in addition to the basic claim that a steel product ‘is ResponsibleSteel certified’?</td>
<td>• Are there differences between the best option for public procurement or other policy initiatives vs downstream business procurement?</td>
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<td>• Would it be a concern if a ResponsibleSteel certified steel product comes from a site that meets requirements for raw material sourcing but not GHG emissions performance, or vice versa?</td>
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<td>• Which options would integrate best with ResponsibleSteel membership or Steel Buyers Forum (‘SteelZero’) commitments?</td>
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<td>• What’s the relationship between RS steel product claims/labels and campaigns for ‘Net Zero by 2030’?</td>
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<td>• Does RS steel product certification add value compared to LCA/EPD approaches?</td>
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### 1. Raw Materials WG

| To agree the criteria for recognition of mine level assurance programmes by ResponsibleSteel. | To agree the requirements to be met for the sourcing of the raw materials for steelmaking, in order to make claims about the ResponsibleSteel certified status of steel products. | To agree one or more performance levels in relation to raw material sourcing, that will need to be met in order to make claims about the ResponsibleSteel certified status of steel products. |

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#### Key questions to resolve

- Should we recognise different levels of performance for raw material sourcing or just one?
- How to combine/communicate both GHG and raw material sourcing performance - should these be entirely separate and independent?
- Which raw materials should be covered by our requirements?
- Should we specify requirements for the sourcing of scrap?
- Should there be some minimum performance level for the sourcing of all raw materials?
- What (if anything) is the role of ‘due diligence’?
- Should we ask for traceability or chain of custody from mine site to steel site?
- What about traceability within a steel site?
- Is the reporting of performance data for sourcing important, in addition to the basic claim that a steel product ‘is RS certified’?

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#### Some issues to consider

- Mine site certification is not yet widely available, and one steelmaking site may source from 50 -100 mine sites - what does this mean for the level of performance we can ask of steel sites?
- Some materials are used in very low volumes, but may be associated with controversial issues
- Should ResponsibleSteel recognise different performance levels by certified mine sites (e.g. AAA, AA, A; 50%, 75%)?
- What overall approach would be most effective at driving improvements in raw material sourcing over time?
- What’s the relationship if any between ResponsibleSteel certification and OECD due diligence, Dodd-Frank or similar policies?
- Is it a concern if a ResponsibleSteel certified steel product comes from a site that excels at raw material sourcing but not at GHG emissions performance, or vice versa?
## 2. GHG WG

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<td>Should we recognise different levels of performance for GHG emissions or just one performance threshold?</td>
<td>Would a single performance threshold or several different levels of performance be most effective at driving reductions in GHG emissions across the steel industry over time?</td>
</tr>
<tr>
<td>How to combine/communicate both GHG and raw material sourcing performance or should these be entirely separate and independent?</td>
<td>GHG emission intensity for a steel product depends significantly on the proportion of scrap vs primary metal, but increasing the proportion of scrap in a product has limited impact on overall emissions if the scrap would have been used anyway</td>
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<tr>
<td>How to set performance threshold(s) that take account of the use of scrap and/or different technologies?</td>
<td>How to allocate emissions between different co-products, e.g. steel products and slag?</td>
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<td>Could ResponsibleSteel recognise multiple methodologies for calculating GHG emissions for steel products, or is it important that it recognises/appplies a common methodology?</td>
<td>Would a single threshold or several different levels be more useful for downstream standards such as BREEAM, USGBC-LEED, SURE, DriveSustainability, GBC-Australia?</td>
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<td>Is there an existing GHG reporting standard for steel that can be referenced by RS without further modification?</td>
<td>Is it a concern if a ResponsibleSteel certified steel product comes from a site that excels at GHG but not at raw material sourcing, or vice versa?</td>
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<td>Is the reporting of performance data important, in addition to the basic claim that a steel product ‘is RS certified’?</td>
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Next steps

Thursday 23 April
• Secretariat to summarise outputs of the three working groups:
  • Identify new questions/ issues arising
  • Identify common themes, possible next steps

Friday 24 April
• Secretariat to present outputs of the three working groups at combined sessions (morning & afternoon, UK time)
  • Q&A from all participants
  • Review next steps

Friday 1 May
• Publish revised draft standard for 30-day public stakeholder consultation, annotated with options and key questions, and with explanation of development process and next steps
Thank you

www.responsiblesteel.org