ResponsibleSteel Proposals and Consultation Questions on Responsible Sourcing Requirements for ‘Steel Certification’

Draft Version 2.0

19th April 2021
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Background

In November 2019, version 1.0 of the ResponsibleSteel Standard was approved and ratified by our membership and Board. The Standard contains 12 Principles with more than 200 requirements that set the benchmark for responsible steel production. Sites can choose to be independently audited against the requirements of the Standard to demonstrate that they meet high levels of performance when it comes to environmental, social and governance (ESG) issues. Steel sites that become certified against the approved Standard are able to claim that their site is operated in a responsible manner. This is what we call ‘Site Certification’. The 12 Principles for ‘Site Certification’ are shown on the following figure.

<table>
<thead>
<tr>
<th>Governance Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Corporate Leadership</td>
</tr>
<tr>
<td>2. Social, Environmental, Governance Management Systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Occupational Health and Safety</td>
</tr>
<tr>
<td>4. Labour Rights</td>
</tr>
<tr>
<td>5. Human Rights</td>
</tr>
<tr>
<td>6. Local Communities</td>
</tr>
<tr>
<td>7. Stakeholder Engagement and Communication</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environment Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Climate Change and GHG</td>
</tr>
<tr>
<td>9. Noise, Emissions, Effluents and Waste</td>
</tr>
<tr>
<td>10. Water Stewardship</td>
</tr>
<tr>
<td>11. Biodiversity</td>
</tr>
<tr>
<td>12. Decommissioning and Closure</td>
</tr>
</tbody>
</table>

The approved Standard contains requirements for input materials (then called raw materials) in Criteria 1.1 and 2.2, and for greenhouse gas (GHG) emissions in Principle 8. The input materials requirements ask for a high-level commitment to responsible sourcing and for evidence that this commitment is being implemented. However, the requirements do not provide incentives for steel companies and their suppliers to work towards high levels of ESG performance in their supply chains. The GHG Principle is ambitious in that it requires company and site level strategies, plans and targets aligned with the goals of the Paris Agreement. It also requires that steel companies and sites report on their GHG emissions performance, but does not set a threshold for the current level of GHG emissions performance at a site.

The ResponsibleSteel membership and Board determined that further requirements for the responsible sourcing of input materials and for GHG emissions would be developed as these two areas are considered to pose the greatest challenges to the steel sector when it comes to their ESG impacts. Meeting these requirements in addition to the already approved Standard would allow steel sites to not only make claims about the way their site is operated, but also about their sourcing of input materials and their GHG emissions performance. Steel sites participating in ResponsibleSteel will be audited against the additional requirements on a voluntary basis. Incentives to meet the additional requirements are expected to come from the market in the form of customer, public policy and green finance specifications, from civil society and peer pressure, or from the wish to distinguish from competition. Certification against the additional responsible sourcing and GHG emissions requirements is called ‘Steel Certification’. We are proposing three levels of performance for responsible sourcing and for crude steel GHG emissions intensity. To achieve ‘Steel Certification’, steel sites will be required to meet at least the lowest level of both responsible sourcing and GHG emissions.

One of the benefits of achieving ‘Site Certification’ or ‘Steel Certification’ is that the respective sites can promote their achievements and thus distinguish from competition through the use of specific messages, so-called claims. Claims should be short and memorable, but they also have to be truthful and cannot
overpromise. ResponsibleSteel-related claims need to make clear that there are different levels of performance that can be achieved. This has to be understood when looking at ‘site’ claims and ‘steel’ claims in isolation. The examples provided below are supposed to help members and stakeholders understand our general approach to claims. None of these claims have been agreed and we intend to consult on them over the next months to seek consensus with members and stakeholders on what certified sites can claim for which achievements.

<table>
<thead>
<tr>
<th>Certification</th>
<th>Responsible sourcing claim (to be discussed)</th>
<th>Level</th>
<th>GHG claim (to be discussed)</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Against the 12 Principles of the approved Standard</td>
<td>Our site xyz has achieved ResponsibleSteel ‘Site Certification’. This means that our site is operated in a responsible manner with regards to environmental, social and governance issues, in line with the ResponsibleSteel Standard. See responsiblesteel.org/certification for more information.</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>In addition, lowest level for both responsible sourcing and GHG must be achieved</td>
<td>As above, plus: In addition, our site has achieved Level 1 of 3 of ResponsibleSteel ‘Steel Certification’. This means that we are engaging with our input material supply chains to improve ESG performance and that our CO2 emissions are lower than the global average. See responsiblesteel.org/certification for more information.</td>
<td>Level 1</td>
<td>Level 1</td>
<td></td>
</tr>
<tr>
<td>Where higher levels for responsible sourcing or GHG are achieved, this is reflected in the claims</td>
<td>We have achieved Level 2 of 3 for responsible sourcing of input materials. This means that... (to be discussed)</td>
<td>Level 2</td>
<td>We have achieved Level 2 of 3 for GHG emissions intensity. This means that our steel has low embodied carbon</td>
<td>Level 2</td>
</tr>
<tr>
<td></td>
<td>We have achieved Level 3 of 3 for responsible sourcing of input materials. This means that... (to be discussed)</td>
<td>Level 3</td>
<td>We have achieved Level 3 of 3 for GHG emissions intensity. This means that our steel has very low embodied carbon</td>
<td>Level 3</td>
</tr>
<tr>
<td></td>
<td>Level 4. Currently not awarded since aspirational: IRMA 100 or an equivalent standard achieved throughout mined material supply chains. For scrap, responsible recycling certification, which does not (yet) exist</td>
<td>Aspirational</td>
<td>Level 4. Currently not awarded since aspirational: Net zero steel</td>
<td>Aspirational</td>
</tr>
</tbody>
</table>
To summarise, there are two types of certification in the ResponsibleSteel programme:

**ResponsibleSteel Site Certification**

The site meets all 12 Principles and more than 200 requirements of the existing ResponsibleSteel Standard.

**ResponsibleSteel Steel Certification**

As above, plus the site meets at least the lowest of three performance levels for responsible sourcing and for crude steel GHG emissions intensity.

The ResponsibleSteel certification programme is being developed to cover the entire steel supply chain from mine site and commercial scrap collection down to the steel end user (e.g. the car, construction or white goods manufacturing company). The current ResponsibleSteel Standard can be applied directly at sites where input materials are processed, and at steel making and steel finishing sites. Upstream supply chain activities, such as mining, scrap collection and processing will be covered through recognition of other input material programmes that promote and define responsible practices. We have made first steps in this regard by assessing a number of mining programmes to identify if they can be recognised and integrated into our responsible sourcing requirements. More information on this work can be found below.

Towards the end of 2021, ResponsibleSteel will start developing options to include downstream supply chains in the ResponsibleSteel certification programme.

### About this document

This document presents revised draft versions of the additional requirements for the responsible sourcing of input materials. The draft requirements are published for stakeholder consultation on 19 April 2021 for 60 days. The draft requirements for GHG emissions are published at the same time and can be found on the ResponsibleSteel website. This is the second time we are consulting on these requirements. The first consultation took place from August to October 2020. Should stakeholders want to see the feedback we received on the first draft and how it was taken into account, they may visit our website from 26 April where we will post the full feedback and our responses.

In addition to the revised draft requirements, we are seeking feedback from stakeholders on the consultation questions posed in the document and on the provided guidance. The guidance explains key terms and concepts related to the requirements and is intended to clarify the implications and intent of the proposed requirements.

The Annexes to this document further elaborate some of the proposed requirements and describe options that were discussed with ResponsibleSteel members and stakeholders but not considered for the draft requirements.
This document has been prepared by the ResponsibleSteel Secretariat based on discussions with our Board, members and stakeholders over the last months and years. Approval of the requirements will be sought from the ResponsibleSteel Board and membership once the requirements have been finalised.

**We are keen to hear from stakeholders** whether they support our draft requirements and the accompanying guidance and what their opinions are on the consultation questions and the Annexes. Stakeholders are asked to submit their feedback to ResponsibleSteel by **19 June 2021 via the Google forms on:**

- https://forms.gle/nqbgU8qUo1wRNvSe6 for responsible sourcing and
- https://forms.gle/WmAsPwGfKaik8htF9 for GHG emissions.

Following the public consultation, we will collate and review the received feedback. We are planning to hold discussions with Members and stakeholders on the received feedback from June and to finalise the requirements in September to be able to put them to our Members and our Board for approval and ratification in October 2021.

The following graph summarises our anticipated timeline for finalising the responsible sourcing and GHG emissions requirements.

**If you have any questions, please contact**

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DRAFT Principle

Responsible Sourcing of Input Materials

Objective:

ResponsibleSteel certified sites increasingly source input materials from suppliers with a proven strong environmental, social and governance (ESG) performance and work with supply chains to address remaining ESG risks.

Background:

Stakeholders, customers and society at large expect companies to understand what is going on in their supply chains and to help manage supplier ESG issues. This expectation reaches beyond the direct suppliers of companies and encompasses all stages of the value chain. The ResponsibleSteel Standard recognises the challenges of multi-tier supply chains where company influence diminishes the more distant suppliers are, and asks companies to embark on a journey and work towards fully responsible supply chains.

The steel sector relies heavily on the use of mined materials. While mining can be a great contributor to a country’s economy, it can also be associated with complex environmental and social impacts. Rather than developing our own responsible mining standard, we intend to recognise programmes that credibly define and promote responsible mining and to integrate them into our own requirements. We are currently assessing a number of mining programmes to determine which ones to partner with. The responsible sourcing Criteria in this document provide further information on this. Relying on established responsible mining standards and their underlying assurance mechanisms is meant to help streamline expectations placed on suppliers and to contribute to establishing wider consensus on what responsible mining means.

While there are a number of programmes for responsible mining that our Standard can build on, there is nothing comparable for scrap, which is another important input material for the steel sector. Our approach to scrap acknowledges that scrap contributes to sustainable production since it is recycled material, but also that scrap supply chains are more diversified, with many more players of different sizes and levels of formalisation and maturity than mined material supply chains. In drafting the requirements for scrap sourcing, we focused on supply chain transparency, understanding ESG issues and starting to address these issues. We have defined ‘Responsible Scrap Principles’, which represent a set of good practices to be communicated throughout the scrap value chain. The Scrap Principles unite steel companies in avoiding worst-case practices and help them speak with one voice, thus collectively raising awareness of ESG issues with scrap suppliers. Our scrap requirements provide an improvement pathway that is deemed accessible and manageable for steel companies while making a start at working with supply chains on ESG practices.

Under the first Criterion for responsible sourcing, steel sites are expected to commit to increasingly source input materials from supply sites that are operating in a responsible manner and to support suppliers in addressing ESG issues. Steel sites are also asked to anchor their commitment internally by assigning responsibility for its implementation to senior management, running training programmes and developing supplier codes of conduct, contracts and approval procedures that reflect the commitment.

They are then asked, in Criterion 2, to identify their supply chains links and to increase supply chain visibility over time. Steel is made from a variety of mined materials that might be raw or processed, pass through different suppliers and are mixed and melted at various stages of production. Steel is also made from scrap, which requires less direct energy, but often comes from highly fragmented and opaque supply chains. Only
when these complex chains are understood, can steel sites support their suppliers in improving ESG performance where needed.

Supply chain ESG impacts are likely to predominate at mining and processing sites. This is where the focus of Criterion 3 lies. Steel sites are expected to ask suppliers of mined material to benchmark against recognised standards to understand their ESG performance and to discuss and agree with them how they might improve on ESG issues. For scrap, steel sites must assess suppliers for ESG risks where they do not implement systems to manage their environmental, health and safety, labour and human rights impacts.

Under Criterion 4, steel sites may market ‘Certified Steel’ when the input material they use originates from mines that operate responsibly and that can provide proof of this. We are proposing to calculate a Mined Material Score that will be higher the more material from responsible mines is being purchased and the stronger the mines’ ESG performance is. For scrap, a Scrap Score is suggested that depends on the level of supply chain transparency, the extent to which suppliers have systems for managing their ESG impacts, and the level to which ESG risks in scrap supply chains are being managed. Again, the further steel site has come in working on its supply chain, the higher the score will be. The way the Mined Material Score and the Scrap Score are calculated is intended to provide incentives for steel sites to increase the proportion of responsibly sourced input materials and to work with suppliers to improve their ESG practices. A Chain of custody system to verify the origin of mined and recycled input material is expected to be in place too. The combination of the Mined Material Score and the Scrap Score will result in an overall Input Material Score. An example of such a calculation is provided in Criterion 4. To be able to combine the responsible sourcing result with the results under the GHG emissions Criteria, the Input Material Score is translated into one of three Levels. Level 1 must be achieved to be awarded ‘Steel Certification’. Level 3 is currently the highest Level that can be achieved.

Finally, under Criterion 5 steel sites must report publicly and regularly on their progress and achievements in sourcing input materials in a responsible manner.

The following graph summarises the 5 proposed Responsible Sourcing Criteria:
Sourcing of steel input materials is often done at the corporate level and for groups of sites rather than at individual steel sites. Due to this, engagement of the corporate owner of a steel site in ResponsibleSteel audits is expected and necessary to demonstrate our requirements are achieved. For ease of reading, the responsible sourcing requirements have been written to address steel sites, but it is understood that the corporate owners of the sites will be heavily involved in meeting the requirements.

Responsible sourcing is covered in the approved ResponsibleSteel Standard version 1.0 under 1.1.e and 2.2. These existing responsible sourcing requirements have been copied below for information. They have to be met to achieve ‘Site Certification’. It would make sense to extract 1.1.e) and 2.2, adjust their wording somewhat to ensure they connect well with the new responsible sourcing Criteria and to describe them together with the new Criteria under a separate responsible sourcing Principle. The new Criteria would have to be met to be granted ‘Steel Certification’ while the old requirements would still apply for ‘Site Certification’. However, some stakeholders have expressed the expectation that the additional responsible sourcing Criteria are already met for ‘Site Certification’ and we have included a consultation question in that regard at the very end of this document.

The structure of the responsible sourcing Criteria is as follows:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>This is a high-level statement on the intended outcomes of the requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requirements</strong> (e.g. 1.1.1.)</td>
<td>Steel sites will be audited against the requirements and so receiving stakeholder feedback on the requirements is crucial. Note that some requirements apply to ‘mined material’ and others to ‘external scrap’. Where requirements refer to ‘input materials’, they are applicable to both mined material and external scrap. Charcoal, used as a reducing agent in pig iron and steel production, is neither mined nor is it recycled. However, the mined material requirements should be applied to charcoal where it is used in the pig iron and steel production process.</td>
</tr>
<tr>
<td><strong>Consultation questions</strong></td>
<td>We are seeking stakeholder views on if and how to address the raised questions</td>
</tr>
<tr>
<td><strong>Guidance</strong></td>
<td>Provides further explanation of the requirements to ensure clarity and provide background</td>
</tr>
</tbody>
</table>
Site Certification

Note that 1.1.e) and 2.2 on responsible sourcing below have to be met to achieve ‘Site Certification’. These responsible sourcing requirements are part of the approved Standard version 1-0 and have been copied here for information.

**Criterion 1.1: Corporate Values and Commitments**
(part of the approved Standard 1-0 and copied here for information)

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:

... e) A responsible sourcing policy that includes a commitment to source raw materials from suppliers whose policies and practices support the implementation of the ResponsibleSteel principles and criteria as applicable to the sourcing of raw materials.

**Criterion 2.2: Responsible Sourcing**
(part of the approved Standard 1-0 and copied here for information)

There are effective procedures in place to ensure that the responsible sourcing commitments of the site’s corporate owner are implemented for the site’s own procurement.

2.2.1. There are effective procedures in place to implement the corporate owner’s policy commitment to responsible sourcing (see requirement 1.1.1.e) at the site. Procedures include at least the following elements:

   a) The corporate owner’s commitment to responsible sourcing is communicated to the site’s tier 1 suppliers of key raw materials;

   b) There are documented procurement specifications that implement the corporate owner’s commitment to responsible sourcing as applicable to the site;

   c) Tier 1 suppliers of key raw materials to the site are required to document their own responsible sourcing commitments (if any) and to make these available to the personnel responsible for the site’s procurement.

2.2.2. The site has access to a listing of its tier 1 suppliers and to copies of their commitments to responsible conduct or responsible sourcing. If the supplier does not have such a commitment this is recorded.

2.2.3. Key performance indicators 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.
Steel Certification

Criteria 1 to 5 below have to be met to achieve ‘Steel Certification’. Stakeholders are asked to comment on the Criteria and their requirements, on the guidance, the consultation questions and on the Annexes. You may provide feedback on all Criteria or just on some.

<table>
<thead>
<tr>
<th>Criterion 1: Responsible sourcing commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a public commitment to source input materials for the site from suppliers that operate responsibly and the commitment is anchored in key purchasing functions and processes.</td>
</tr>
</tbody>
</table>

1.1. There is a publicly available responsible sourcing policy for input materials used at the site:
   
   a) The policy addresses all of the ResponsibleSteel Criteria for responsible sourcing;
   
   b) For mined materials: The policy covers at least the following mined materials where these are used by the site, whether in raw or processed form:
      
      i. Ferrous raw material;
      ii. Coal / Charcoal;
      iii. Limestone;
      iv. Ferro alloys;

   c) The policy contains a commitment to increasingly source from mines and processing sites that participate in a ResponsibleSteel-recognised input material programme and have achieved a ResponsibleSteel-accepted level of ESG performance under that programme;

   d) For external scrap: The policy contains a commitment to work with suppliers to increase transparency, address ESG risks and implement the ‘Responsible Scrap Principles’ in scrap supply chains over time (see Annex 1);

   e) The policy contains a commitment to Chain of Custody principles at the site and throughout supply chains to confirm the origin of used input material.

1.2. The responsible sourcing policy is anchored as follows:

   a) Specific members of senior management have been assigned responsibility for the implementation of the policy, including the allocation of necessary resources;
   
   b) A training programme on responsible sourcing issues and on procedures to implement the responsible sourcing policy is delivered for relevant personnel;
   
   c) The responsible sourcing policy is reflected in a supplier code of conduct, which is communicated to input material suppliers together with a request to communicate the code of conduct up the supply chain;
   
   d) The supplier code of conduct is part of supply contracts;

   e) For scrap, supply contracts also include a requirement for suppliers to implement the Responsible Scrap Principles;
- A supplier approval procedure reflecting the responsible sourcing commitments is implemented for the site.

**Consultation question on integrating Criterion 1 with the requirements of the approved Standard**

Please review the responsible sourcing requirements 1.1.e) and 2.2. of the approved ResponsibleSteel Standard version 1-0, copied above. Criterion 1 of the new responsible sourcing Criteria expands the commitment required in the approved Standard and there is a strong case to integrate Criterion 1 in the existing Standard when it comes up for revision. Would you welcome this?

**Guidance:**

- **Input materials:** The responsible sourcing Criteria apply to the input material categories listed in 1.1. above. Other materials are considered out of scope of the responsible sourcing requirements, for example chemicals, electrodes, energy inputs, lubricants, oils, refractories and rolls.

- **Input materials used in raw or processed form:** For example, a site might use pig iron, which is a processed form of raw iron ore. Or a site might use ferro-chromium, a processed form of raw chromium ore, or charcoal, a processed form of wood. All these input materials are covered by the responsible sourcing Criteria.

- **Mined materials:** Input materials that originate from mines.

- **Processing sites:** These include smelting, roasting and refining sites. In the case of charcoal, they include the sites where wood is processed to produce charcoal.

- **Supply site:** Suppliers might have multiple sites and ‘supply site’ refers to a specific site of a supplier.

- **Supply chains:** Can be described using different terms, including tiers, levels and networks. In the context of ResponsibleSteel, supply chain refers to upstream supplier activities, i.e. activities that take place prior to steel making and steel finishing.

- **Mined material supply chain:** Refers to upstream supplier activities related to mined material, all the way up to the mine site level.

- **External scrap:** Scrap provided from outside of the steelworks, including manufacturing scrap (which is scrap from the manufacturing of final steel-containing products such as automobiles) as well as end of life scrap (which is scrap from after the end of its previous life). External scrap does not include home scrap (which is scrap from a crude steel making unit process that is then recycled within the same unit process, e.g. basic oxygen furnace (BOF) or electric arc furnace (EAF)) nor does it include home scrap (which is scrap from a downstream steel production process within the steelworks (e.g. rolling, coating) that is returned to steel making processes, e.g. BOF or EAF). (adapted from ISO 20915:2018(E) Life cycle inventory calculation methodology for steel products).

- **Responsible Scrap Principles:** A set of 13 good practices aimed to help the steel industry speak with one voice, thus collectively raising awareness of ESG issues in the scrap sector. See Annex 1 for the Scrap Principles.

- **Scrap supply chain:** Refers to upstream scrap supplier activities that might include shredding, processing, blending, grading, handling, sorting, storing, trading and transporting. The upstream cut-off point, i.e. what we consider to be the furthest link in the scrap supply chain that is covered by the ResponsibleSteel responsible sourcing Criteria, is the first company that receives or consolidates scrap after the previous life of the scrap. To give some examples of previous lives and the furthest link in the upstream supply chain:
Previous scrap life | Furthest link in the upstream scrap supply chain
--- | ---
Buildings or bridges | The company that receives the recovered scrap after demolition
Ships or cars | The company that dismantles these items, such as the shipbreaking yard
Fridges, toasters and other household appliances | The company that accepts and consolidates scrap after collection from households and other sources

For manufacturing scrap, there is no previous life. However, the upstream cut-off point is the site where the scrap was produced as part of a manufacturing process that is external to the steel company.

**ResponsibleSteel-recognised input material programme:** ResponsibleSteel seeks to collaborate with other programmes on ESG issues in supply chains. Initially, we will recognise programmes that promote and verify responsible mining practices. Our recognition work might expand to other sectors and supply chain stages in the future where this helps achieve our vision and mission. Sourcing from recognised programmes is built into our responsible sourcing criteria and recognition decisions are important since they are expected to help drive demand for recognised programmes. The first recognition assessments are still underway and will be published for stakeholder feedback in due course. Our initial findings suggest that we will recognise Bettercoal, IRMA (Initiative for Responsible Mining Assurance) and TSM (Towards Sustainable Mining). The assessments of ICMM (International Council on Mining & Metals) and ITA (International Tin Association) are still ongoing. See Annex 2 for more information.

Regarding artisanal and small-scale mining (ASM), a programme we might consider recognising in the future is the CRAFT Code (Code of Risk-mitigation for artisanal and small-scale mining engaging in Formal Trade). While ASM does not seem to play a very prominent role in steel supply chains, we should seek to open the door for smaller operators too.

Charcoal, which is used as a reducing agent in pig iron and steel production, is based on smouldered wood. ResponsibleSteel could consider recognising the FSC programme (Forest Stewardship Council) and other equivalent programmes. While charcoal is neither mined nor recycled, our mined material requirements would apply to charcoal where it is used in pig iron and steel production processes.

**ResponsibleSteel-accepted level of ESG achievement:** Sites that participate in a ResponsibleSteel-recognised input material programme and have shown in a third-party on-site audit according to the audit protocol of that programme that they have reached an ESG achievement level that is accepted by ResponsibleSteel. Programmes that promote and verify responsible mining practices usually define different levels of achievement for mine sites. For example, TSM has defined the following levels:

<table>
<thead>
<tr>
<th>Level</th>
<th>What the level means</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>No systems in place; activities tend to be reactive; procedures may exist but they are not integrated into policies and management systems</td>
</tr>
<tr>
<td>B</td>
<td>Actions are not consistent or documented; systems/processes are planned and being developed</td>
</tr>
<tr>
<td>A</td>
<td>Systems/processes are developed and implemented</td>
</tr>
<tr>
<td>AA</td>
<td>Integration into management decisions and business functions</td>
</tr>
<tr>
<td>AAA</td>
<td>Excellence and leadership</td>
</tr>
</tbody>
</table>
The question for ResponsibleSteel and its stakeholders is which of these levels we consider to be sufficient to call a mine ‘responsible’ and thus allow linking these levels to our ‘Certified Steel’ claims. We will ask this question to stakeholders when we publish the draft recognition assessment results in due course on the ResponsibleSteel website.

It should be noted that ResponsibleSteel ‘Site Certification’ will be considered an accepted ESG achievement level at supply chain stages where the ResponsibleSteel Standard applies. For example, where a steel finishing site sources from a steel making site that has achieved ResponsibleSteel ‘Site Certification’, this would be accepted for the steel from that site to qualify for ‘Certified Steel’ as described in Criterion 4.

**Chain of Custody (CoC):** A process by which inputs and outputs and associated information are transferred, monitored and controlled as they move through each step in the relevant supply chain (adopted from ISO 22095:2020(E) Chain of custody - General terminology and models). Just like for mining and other input material programmes, ResponsibleSteel aims to build on existing standards where this helps achieve our vision and mission. Currently, we are working with IRMA to make sure that their evolving Chain of Custody Standard is viable for the steel sector so that it can be recognised by us. Additional Chain of Custody Standards may be recognised by ResponsibleSteel in the future (see Criterion 4 for more information on Chain of Custody).

**Criterion 2: Upstream supply chain visibility**

The supply chain links for the input materials used at the site are increasingly known and key information on suppliers is recorded.

2.1. For mined material: Supply chain links up to the mine site level are recorded internally as follows, where they are known:

   a) Names and addresses of all known supply sites that provide input material for the site;
   
   b) Types of input materials and quantities (by mass) provided by each tier 1 supply site in the preceding calendar year and how much of the respective input material used at the site the quantities accounted for.

2.2. Within 3 years of becoming certified to the responsible sourcing Criteria, at least 95% of the total quantity (by mass) of mined material received by the site is from supply chains where all links in the chain are known, up to the mine site level.

2.3. For external scrap: Supply chain links are recorded internally as follows:

   a) Names and addresses of all tier 1 scrap supply sites;
   
   b) The quantity of scrap (by mass) they each provided in the preceding calendar year and how much of the external scrap used at the site the quantities accounted for.

2.4. Within 3 years of becoming certified to the responsible sourcing Criteria, at least 30% of the total quantity (by mass) of external scrap received by the site is from supply chains where all links in the chain are known, up to the primary scrap consolidation or manufacturing site.

2.5. The information recorded under 2.1 to 2.4. is shared with ResponsibleSteel for each calendar year under a Non-Disclosure Agreement.
Consultation question on a shared platform for supply chain visibility

Some stakeholders suggested that ResponsibleSteel sets up a centralised system for collecting, storing and sharing information on suppliers among steel companies that are certified to the ResponsibleSteel responsible sourcing Criteria to keep the burden on steel companies and their suppliers as low as possible. Is this something you would value?

**Guidance:**

Criterion 2 is not seeking to establish traceability of input materials used in steel. Instead, sites are expected to increasingly know the links in their supply chains since supply chain visibility is a prerequisite for good supply chain management. We are requiring that sites share details about their supply chains with ResponsibleSteel on a confidential basis. This will serve different purposes: It will help ResponsibleSteel verify claims made in relation to ‘Certified Steel’, understand supply chain issues and inform our outreach activities. We are not expecting that sites disclose their supply chains.

**Tier 1:** Direct supply site to the steel site.

**95%:** This means 95% of the total mined material received (by mass), not 95% of each individual mined material.

**Up to the primary scrap consolidation or manufacturing site:** Means all upstream supply sites of external scrap, up to the point where the scrap was consolidated after its end of life or where the scrap was produced as part of an external manufacturing process.

**Where all links in the (external scrap supply) chain are known:** In the case that steel sites are not able to identify supply sites, there may be alternative ways to improve supply chain visibility: E.g. commissioning a specialised service provider to map the external scrap supply chain. Or requesting that identified suppliers provide information on their sourcing to the steel site’s ResponsibleSteel auditors under a Non-Disclosure Agreement (NDA). Such an ‘auditable mechanism’ could be constructed as follows: The steel site requests from a sample of scrap suppliers, selected by the ResponsibleSteel auditors, to provide evidence directly to the auditors on their scrap sources. The auditors would be bound by a NDA to keep the provenance and other commercial information confidential and not share it with any other party. The auditors could review evidence related to provenance, such as customs declarations, certificates of origin or shipping logs.

**Consultation questions on supply chain visibility for external scrap**

In your view, is the concept of an ‘auditable mechanism’ (see above) a feasible way to close knowledge gaps related to the origin of scrap and would it address the challenges of commercial confidentiality?

Such an ‘auditable mechanism’ would not have to be limited to scrap but could also be applied for mined material where steel companies cannot find out details about the links in the respective material’s supply chain. Implementing such an ‘auditable mechanism’ would likely have cost and time implications for the ResponsibleSteel audit. Do you consider an ‘auditable mechanism’ to be an approach that is worthwhile exploring?
Criterion 3: ESG standards and good practices in supply chains

The use of recognised ESG standards and practices is promoted throughout supply chains and supplier efforts to improve ESG performance are supported.

For mined material:

3.1. Mining and processing sites that are known to provide input material for the site are requested to:
   a) Use a ResponsibleSteel-recognised standard to do a self-assessment or to have a third-party on-site audit conducted according to the audit protocol of a ResponsibleSteel-recognised input material programme;
   b) Repeat the self-assessment or third-party on-site audit at least every three years;
   c) Share the results of the self-assessments or third-party on-site audits with the site as follows:
      i. Result for each individual requirement of the applied standard, including explanations of any gaps;
      ii. Any action plans and timelines for addressing the gaps.

3.2. The site reviews the self-assessment and third-party audit results and records for each mining and processing site:
   a) Which ResponsibleSteel-recognised standard the site applied;
   b) Whether the site conducted a self-assessment or received a third-party on-site audit;
   c) The ESG achievement level the site has reached and whether it is a ResponsibleSteel-accepted level;
   d) Any areas of the standard where the site has achievement gaps;
   e) In case no self-assessment or third-party audit results have been received.

3.3. Where self-assessments resulted in gaps or where third-party audits did not result in a ResponsibleSteel-accepted ESG achievement level, the site discusses and agrees with the respective suppliers how the gaps will be addressed and if and how the site can support suppliers in closing the identified gaps.

3.4. Where no self-assessment or third-party audit results have been received, the site discusses with the respective suppliers which barriers exist to applying a recognised standard and how it may support suppliers in removing these barriers.

3.5. The site keeps track of supplier progress in applying the standard of a ResponsibleSteel-recognised programme and in closing identified achievement gaps.

For external scrap:

3.6. The site records which known scrap supply sites systematically manage environmental, health and safety, labour and human rights issues in line with recognised standards and guidelines.

3.7. Where known supply sites do not systematically manage environmental, health and safety, labour and human rights issues, they are assessed for ESG risks in areas that are not covered by their management approach.
3.8. Where high ESG risks are identified, the site discusses and agrees with suppliers how the issues will be addressed and if and how the site can support suppliers in their risk reduction efforts.

3.9. The site keeps track of supplier progress in addressing ESG risks.

**Guidance:**

For mined material, this Criterion focusses on supply chain activities that have the greatest potential ESG impact, which is mining and processing. Transportation, traders, distributors, brokers and agents are not expected to apply recognised ESG standards. However, they are expected to support an unbroken Chain of Custody as described under Criterion 4.

**Sharing the results:** This could be achieved by making the results publicly available, for example through the supplier’s website or through the website of the recognised programme in which the supplier participates. Sharing or publishing of audit reports would also suffice this requirement.

**Discussing support in addressing ESG issues:** This may be achieved via shared platforms such as ResponsibleSteel or the recognised ESG programmes.

**Support suppliers and their sites in closing identified gaps:** Support might be given in the form of capacity building, training, projects, financial or technical resources, better contractual terms, etc.

Specifically for scrap:

**Managed in line with relevant standards and guidelines:** These include ISO 14001, ISO 26000, ISO 45001, EMAS or equivalents, as well as RIOS (Recycling Industry Operating Standard), R2 (Responsible Recycling practices for Use in Accredited Certifications Programs) or ISO/IWA 19 (Guidance principles for the sustainable management of secondary metals). Note that the systems implemented by micro and small enterprises may be less comprehensive and less formal.

**Assessed for ESG risk:** To pool resources, this may be achieved via a shared assessment methodology developed together with a sector or multistakeholder initiative such as ResponsibleSteel. See also the guidance in Annex 3.

**ESG risks are addressed:** This might happen through capacity building, training, projects, financial support or other measures. The measures may be designed and implemented as a collaborative effort by steel companies and scrap suppliers under the auspices of a sector or multistakeholder initiative such as ResponsibleSteel.

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**Introduction to Criterion 4: ‘Certified Steel’ claims to reward responsible sourcing**

The following pages explain our suggested approach to allowing ‘Certified Steel’ claims. The actual requirements for Criterion 4 are described on pages 21 to 24:

Sites can sell their steel as ‘ResponsibleSteel Certified’ if they meet all responsible sourcing and all GHG emissions requirements, including the lowest performance Level described in Criterion 4 for responsible sourcing and in Principle 8 for GHG emissions. There are two higher performance Levels for both sourcing and GHG that, if individually met, allow the site to make stronger claims on responsible sourcing or on GHG emissions, depending on which of the higher performance Levels they have reached. See page 4 of this document for details on potential claims.

**The achieved performance Level for responsible sourcing depends on the Input Material Score, which is determined by a site’s Mined Material Score and Scrap Score,** both defined in Criterion 4 below.
The **Mined Material Score** of a site depends on the quantity of input material coming from supply sites that have reached a ResponsibleSteel-accepted ESG achievement level. The score also depends on the ESG achievement levels as such since higher achievements are awarded higher scores.

The Mined Material Score is initially determined at the mine site. The higher the ESG achievement level of the mine, the higher its score. As the input material passes through the supply chain, the score is re-calculated depending on the material being mixed with material from suppliers that have not achieved a ResponsibleSteel-accepted ESG achievement level. Since the Score travels through the chain and is adjusted along the way, all the steel site needs to know to calculate its own Score are the Scores of its tier 1 supply sites.

To generate a valid Mined Material Score, the input materials from mines with accepted ESG levels must cover all the mined material categories that are in scope of the ResponsibleSteel responsible sourcing Criteria, meaning:

- Ferrous raw material
- Coal / Charcoal
- Limestone
- Ferro alloys
- Non-ferrous raw materials

This requirement will ensure that steel sites not only work on their bulk input materials but also cater for input materials they use in lower quantities but whose exploration is associated with similarly complex ESG issues.

Due to the way that the Mined Material Score is calculated, the quantity or percentage of input material that originates from mines with accepted ESG achievement levels will vary from steel site to steel site.

The following graph summarises which mines are eligible for ‘Certified Steel’ claims.

![Diagram showing the Mined Material Score calculation process]

The guidance to Criterion 4 below contains an illustrative example on how the Mined Material Score will be calculated.

For scrap, a separate score is determined, called the **Scrap Score**, to take account of the fact that there are no ESG programmes tailored to the scrap sector that would satisfy ResponsibleSteel stakeholder expectations. The site determines its Scrap Score depending on the level of transparency it has achieved across its scrap supply chain, on the extent of established ESG management systems in supply chains and on the progress the site has made in helping scrap suppliers address ESG risks. The Scrap Score requirements are described below.
The combination of the Mined Material Score and the Scrap Score result in the overall Input Material Score for the site. The overall Score is then converted into a Level. The achieved Level determines the ‘Certified Steel’ claims that the site can make.

There are 3 performance Levels for responsible sourcing. The achieved Level will be shown on the site’s certificate and sites wanting to make ‘Certified Steel’ claims will have to comply with the ResponsibleSteel claims policy and guidelines. The ResponsibleSteel website will provide further information for stakeholders on what the different performance Levels mean. This will be supplemented by site-specific information as outlined in Criterion 5 below.

We suggest that the minimum Input Material Score that has to be achieved to be able to sell ‘Certified Steel’ is 0.5, which would result in performance Level 1. The higher levels would be as follows:

- 0.50 – 0.99 = Level 1
- 1.00 – 1.99 = Level 2
- 2.00 – 2.99 = Level 3
- > 3.00 = Level 4 (aspirational, currently not awarded)

The method for determining the Input Material Score has been designed in a way that rewards stronger input material programmes and supply sites with better ESG achievement levels. This is expected to provide incentives to suppliers and steel sites to make further progress on ESG issues and to reach higher responsible sourcing Levels.

Criterion 4 also requires that sites and suppliers are certified to a Chain of Custody Standard recognised by Responsible Steel. Chain of Custody (CoC) is a process by which inputs and outputs and associated information are transferred, monitored and controlled as they move through each step in the relevant supply chain. CoC systems have become indispensable for creating trust in programmes that results in claims related to responsibility, sustainability or safety. In the context of ResponsibleSteel, CoC will help ensure that claims and Score determinations are truthful.

IRMA (Initiative for Responsible Mining Assurance) is currently developing a CoC Standard that can be applied to mine sites participating in IRMA or in another ResponsibleSteel-recognised input material programme. It can also be applied to scrap sites. Our intention is to integrate the IRMA CoC standard into our responsible sourcing requirements. In the future and as they become available, we might integrate other relevant CoC standards as well.

The draft IRMA Chain of Custody Standard was launched in late 2020 for public consultation and is expected to be finalised before the end of 2021. In essence, the draft IRMA CoC Standard asks for:

- A commitment to responsible sourcing and the CoC Standard;
- A grievance mechanism for stakeholders;
- Clear responsibilities for, training on and internal reviews of adherence to Chain of Custody principles;
- A record keeping, document control and accounting system to verify relevant input materials and suppliers;
- Sales and shipping documentation to be passed on to customers;
- A system for handling input material that either keeps input material from certain origins separate from other input material, or that allows mixing and blending of material.

For the steel sector, we believe that the only viable CoC models are those that allow mixing and blending of input material and we are actively working with IRMA to make sure that their evolving CoC Standard is viable for the steel industry.

ResponsibleSteel would expect that steel sites and their suppliers are certified to the IRMA CoC Standard or another ResponsibleSteel-recognised CoC standard. It should be noted that some of the IRMA CoC
requirements are already covered through the ResponsibleSteel Standard and its new responsible sourcing Criteria.

For mines and mined material processing sites, certification to the IRMA CoC Standard will only be allowed if they have been granted a ResponsibleSteel-accepted ESG achievement level in a third-party on-site audit under a ResponsibleSteel-recognised programme. Alternatively, mined material processing sites must have ResponsibleSteel ‘Site Certification’ where the ResponsibleSteel Standard applies to qualify for IRMA CoC certification. This is, for example, the case for stand-alone coking, sintering and pelletisation plants. For scrap, all known supply sites to the steel site must achieve CoC certification. These provisions will cater for an unbroken Chain of Custody between upstream supply sites and steel sites, so that the responsible origin of input material is confirmed. Supply sites that do not take legal ownership of the input material and are brokers or agents or are solely transporting, trading or distributing input materials will not have to be CoC-certified. Instead, they will be required to support the Chain of Custody through provision of relevant records relating to e.g. receipt, transport, storage or dispatch of the material, as applicable to the respective supplier.

Stakeholders should note that it will not be possible to trace the input materials used in ‘Certified Steel’ back to mines sites or scrap sites. They should also be aware that input material will likely not be physically linked with the steel sold as ResponsibleSteel certified. The ResponsibleSteel system is built to ensure that input materials used for steel production and steel finishing are increasingly from suppliers that have demonstrated good ESG performance and that quantities are controlled as the material passes through the chain. However, with the large quantities and types of materials used by steel sites and their suppliers, and with the amount of mixing and blending of material that takes place throughout the chain to achieve required qualities and characteristics, asking that input material from eligible sources is kept separate at all times from that of non-eligible ones would very likely prevent steel sites and suppliers from participating in our programme. This would keep us from being able to contribute to positive change on the ground. Still, with the controls we expect to be established in supply chains, we believe that our system will satisfy stakeholder expectations and will merit their support.

The above paragraphs have outlined our approach to allow ‘Certified Steel’ claims to be made. The following pages describe the actual underlying requirements for this. They are followed by guidance that provide further detail and clarification.

**Criterion 4: Certified Steel’ claims to reward responsible sourcing**

The site qualifies for ‘Certified Steel’ claims due to sourcing from suppliers who meet accepted ESG benchmarks and supply chains that adhere to Chain of Custody principles to verify the origin of input material.

4.1. The site meets the requirements of a ResponsibleSteel-recognised Chain of Custody (CoC) Standard, as confirmed during a ResponsibleSteel audit or through a separate CoC certification audit.

4.2. The site implements a documented procedure for determining which tier 1 supply sites for mined material and for external scrap are certified to a ResponsibleSteel-recognised CoC Standard and for checking the validity of their CoC certificates.

4.3. For mined material: The site implements a documented procedure for requesting and receiving the following from its CoC-certified tier 1 supply sites for the last calendar year:

   a) Their Mined Material Score, calculated in line with the ResponsibleSteel Mined Material Score formulas; (see the guidance)
b) A breakdown of the input materials delivered to the site, in what forms they were delivered and in what quantities;

c) The RS-accepted ESG achievement levels that these input materials were associated with, if any.

4.4. There is a documented procedure for calculating the site’s own Mined Material Score based on current information from CoC-certified tier 1 supply sites. The procedure:

a) Is applied for each calendar year in the first quarter of the subsequent year;

b) Describes how the Score is calculated in line with the ResponsibleSteel Mined Material Score formulas; (see the guidance)

c) Requires a breakdown of the mined materials delivered to the site by each CoC-certified tier 1 supply site, the forms the materials were delivered in, the delivered quantities per input material and the RS-accepted ESG achievement levels they were each associated with, if any.

4.5. For external scrap: The site has a documented procedure to determine its Scrap Score for the last calendar year based on the following requirements. The procedure is applied in the first quarter of the subsequent year and the site keeps records to substantiate its Score determination:

<table>
<thead>
<tr>
<th>Note that all individual requirements of a specific Score must be met for the steel site to achieve that Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score of 1</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>a) Scrap suppliers are known up to the primary scrap consolidation or the manufacturing site</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>b) In fully known supply chains (as described in a) above), tier 1 supply sites are certified to a ResponsibleSteel-recognised CoC Standard if they provide scrap to the site</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>c) Known suppliers adhere to the ‘Responsible Scrap Principles’</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>d) Known suppliers systematically manage environmental, health and safety, labour and human rights issues in line with recognised standards and guidelines</td>
</tr>
</tbody>
</table>
e) Where known supply sites do not systematically manage environmental, health and safety, labour and human rights issues, they are assessed for ESG risks that are not covered by their management approach

f) High and medium ESG risks are addressed together with known suppliers

g) ESG risk reduction efforts are effective

<table>
<thead>
<tr>
<th></th>
<th>There is evidence of ESG risk reduction for the suppliers of at least 20% of the purchased scrap (by mass)</th>
<th>There is evidence of ESG risk reduction for the suppliers of at least 40% of the purchased scrap (by mass)</th>
<th>There is evidence of ESG risk reduction for the suppliers of at least 50% of the purchased scrap (by mass)</th>
</tr>
</thead>
</table>

4.6. The site calculates its combined Input Material Score depending on the quantity (by mass) of mined material and of external scrap used at the site and coverts it into the Level that corresponds with its Score. (see the guidance)

4.7. Where input materials are purchased for a group of sites: The calculation of the Input Material Score for the site seeking ‘Steel Certification’ is based on the total quantity (by mass) of input materials purchased for the group of sites and on the percentage of input material that went to the site seeking ‘steel certification’.

4.8. Records showing how the procedures in 4.4 and 4.5 are implemented for the site are kept for at least two ResponsibleSteel certification cycles, meaning at least six years.

4.9. Once certified and if the site sells any of its steel as ‘ResponsibleSteel certified’, a documented procedure is implemented to capture how much of the produced steel was sold as certified, to which customers and in which forms in the last calendar year.

Consultation questions on Chain of Custody for scrap and a scrap engagement platform

Is it appropriate to require Chain of Custody certification from scrap suppliers to verify the origin of external scrap?

Do you think that the existence of a platform for the scrap industry to connect with steel customers and stakeholders on ESG issues would help engage the scrap sector in the responsibility journey? If so, which organization do you think would be best placed to initiate such a platform?

Guidance:

Chain of custody: Process by which inputs and outputs and associated information are transferred, monitored and controlled as they move through each step in the supply chain.

Checking the validity of CoC certificates: This can be achieved by visiting the website of the respective ResponsibleSteel-recognised programme on a regular basis to verify if the CoC certificates of supply sites are valid.

Delivered forms: For example, pellets, sinter, slabs, sheets, coils.

Input materials purchased for a group of sites: Only those sites in the group that achieve ‘Steel Certification’ can sell steel as certified and make claims in that regard.
Up to the primary scrap consolidation or manufacturing site: Means all upstream suppliers of external scrap, up to the point where the scrap was consolidated after its previous life or where the scrap was produced as part of an external manufacturing process. (see also the guidance on Criterion 2)

Responsible Scrap Principles: A set of 13 good practice Principles, see Annex 1

Tier 1, tier 2: Tier 1 refers to direct suppliers, tier 2 to their sources of supply and so on.

Managed in line with relevant standards and guidelines: These include ISO 14001, ISO 26000, ISO 45001, EMAS or equivalents, as well as RIOS (Recycling Industry Operating Standard), R2 (Responsible Recycling practices for Use in Accredited Certifications Programs) or ISO/IWA 19:2017(E) Guidance principles for the sustainable management of secondary metals. Note that the systems implemented by micro and small enterprises may be less comprehensive and less formal.

ResponsibleSteel Mined Material Score formula: Two simple formulas to calculate a score between 0 and 4 depending on:

a) The ESG achievement levels of the mines from which the materials originate, for example TSM AA, as confirmed through a third-party on-site audit that was carried out in the last 3 years under a ResponsibleSteel-recognised programme. The ESG achievement levels are associated with Scores, as determined by ResponsibleSteel. For example, TSM 75 might be associated with a Score of 2;

b) The quantity (by mass) of mined material originating from these mines; and

c) The total quantity (by mass) of mined material purchased in a calendar year.

The quantity that may be included in the Mined Material Score calculation for ferrous raw material, ferro-alloys and non-ferrous raw material is the quantity of that material contained in the mined ore, expressed in tonnes. The formulas must be applied for each individual purchased mined material.

The formulas are as follows:

\[
\text{Supplier Mined Material Score} \times \text{Total purchased tonnes of the respective mined material} \\
= \text{Steel site’s Score for the individual mined material}
\]

\[
\frac{\text{Sum of all individual Mined Material Scores} \times \text{Total purchased tonnes of mined material}}{\text{Steel site’s Mined Material Score}}
\]

Mined material originating from mines with a ResponsibleSteel-accepted ESG achievement level must cover all categories in a) to e) below to produce a valid Mined Material Score:

a) Ferrous raw material

b) Coal / Charcoal

c) Limestone

d) Ferro alloys

e) Non-ferrous raw materials

ResponsibleSteel will develop templates for sites to calculate their Mined Material Score.

See an example for calculating the Mined Material Score on the next page.

Scrap Score: If a steel site achieves all of the requirements listed for Score 1 in the table above, then its Scrap Score is 1. If it achieves all of the requirements listed for Score 2 in the table above, then its Scrap Score is 2 and so on.

Input Material Score: The overall Input Material Score for a given steel site is calculated as follows:
Proportion of used mined material compared to overall input material x Mined Material Score +
Proportion of used scrap compared to overall input material x Scrap Score
= Input Material Score

See an example for calculating the Mined Material Score on the next page.

**Level:** We suggest that the minimum Input Material Score that has to be achieved by a steel site to be able to sell ‘Certified Steel’ is 0.5, which would result in Level 1. The higher Levels would be as follows:

- 0.50 – 0.99 = Level 1
- 1.00 – 1.99 = Level 2
- 2.00 – 2.99 = Level 3
- > 3.00 = Level 4 (aspirational, currently not awarded)

**Illustrative example for calculating the Mined Material Score and combining it with the Scrap Score to produce the Input Material Score:**

The two tables below show how the Mined Material Score would be calculated for a steel site, using hypothetical ResponsibleSteel-accepted ESG achievement levels and purchased tonnes:

<table>
<thead>
<tr>
<th>Mined material</th>
<th>ESG achievement level</th>
<th>Mined Material Score</th>
<th>Tonnes purchased</th>
<th>Total Mined Material Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron</td>
<td>TSM AA</td>
<td>2</td>
<td>500.000</td>
<td>1.000.000</td>
</tr>
<tr>
<td>Limestone</td>
<td>IRMA 75</td>
<td>3</td>
<td>30.000</td>
<td>90.000</td>
</tr>
<tr>
<td>Chrome</td>
<td>IRMA 50</td>
<td>2</td>
<td>7.500</td>
<td>15.000</td>
</tr>
<tr>
<td>Coal</td>
<td>Bettercoal 1</td>
<td>1</td>
<td>400.000</td>
<td>400.000</td>
</tr>
<tr>
<td>Zinc</td>
<td>TSM AAA</td>
<td>3</td>
<td>7.000</td>
<td>21.000</td>
</tr>
<tr>
<td>Coal</td>
<td>Bettercoal 3</td>
<td>3</td>
<td>200.000</td>
<td>600.000</td>
</tr>
<tr>
<td>Different materials from different mines</td>
<td>None</td>
<td>0</td>
<td>1.200.000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>2.344.500</strong></td>
<td><strong>2.126.000</strong></td>
</tr>
</tbody>
</table>

For a steel site:

<table>
<thead>
<tr>
<th>Processor</th>
<th>Mined material Score</th>
<th>Tonnes purchased</th>
<th>Total Mined Material Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,91</td>
<td>400.000</td>
<td>364.000</td>
<td></td>
</tr>
<tr>
<td>0,85</td>
<td>500.000</td>
<td>425.000</td>
<td></td>
</tr>
<tr>
<td>1,22</td>
<td>600.000</td>
<td>732.000</td>
<td></td>
</tr>
<tr>
<td>0,97</td>
<td>500.000</td>
<td>485.000</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>1.000.000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.000.000</strong></td>
<td><strong>2.006.000</strong></td>
<td><strong>0,67</strong></td>
</tr>
</tbody>
</table>

Processing Site Mined Material Score: 0,91
Steel Site Mined Material Score: 0,67
This hypothetical example generates a valid Mined Material Score because the steel site receives input materials from mines that have reached a ResponsibleSteel-accepted ESG achievement level and the input materials cover all mined material categories that are in scope of the ResponsibleSteel responsible sourcing Criteria.

**Calculating the Input Material Score:** If we assume that 77% of the input materials used at our illustrative steel site are mined materials, and 23% are external scrap and that the steel site’s Scrap Score is determined to be 1, the Input Material Score would be calculated as follows:

\[(0.77 \times 0.67) + (0.23 \times 1.00) = 0.75\]

An Input Material Score of 0.75 would mean that steel site has achieved Level 1.

**Consultation questions on the performance Levels**

As stated above, we suggest that the minimum Input Material Score that has to be achieved by a steel site to be able to sell ‘Certified Steel’ is 0.5, which would result in Level 1. The higher Levels would be as follows:

- 0.50 – 0.99 = Level 1
- 1.00 – 1.99 = Level 2
- 2.00 – 2.99 = Level 3
- > 3.00 = Level 4 (aspirational, currently not awarded)

Do you think that performance Levels provide incentives for steel companies to increasingly source from responsibly managed suppliers? Do you think that there are better ways to achieve this? If so, which ones?

Do you think that the Levels as defined above are realistically set? If not, why not and do you have suggestions on how to set them instead?

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**Criterion 5: Public reporting on responsible sourcing**

**Key information and developments regarding the responsible sourcing of input materials are reported publicly and regularly for the site.**

5.1. The following site-related information is regularly reported to ResponsibleSteel for publication on the ResponsibleSteel website:

a) Countries of origin for each input material category and the share that each country accounts for in relation to the used quantity of the respective input material;

b) Percentage of input material that is from fully known supply chains, per input material category, and changes in percentage since the last reporting period;

b) Aggregated results of self-assessments and third-party audits against ResponsibleSteel-recognised ESG standards in mined material supply chains, per input material category;

b) Percentage of external scrap suppliers that are classified as high or medium ESG risk and changes since the last reporting period;

b) Support provided to input material suppliers to address ESG issues since the last reporting period;

c) ResponsibleSteel-accepted ESG achievement levels present in the site’s mined material supply chains, per input material category, and changes since the last reporting period;
d) Mined Material Score and Level, External Scrap Level and combined Input Material Level and changes in score and levels since the last reporting period.

**Consultation questions on reporting**

Do the reporting requirements cover the key information about responsible sourcing and do they provide for a sufficient level of transparency?

Note that ResponsibleSteel audit reports will be published on the ResponsibleSteel website, so what is required under Criterion 5 would be in addition to the audit reports.

**Guidance:**

n/a

**Consultation question on making the responsible sourcing Criteria mandatory**

Now that you have read the full set of the proposed responsible sourcing Criteria and requirements, we would like to hear your views on the following:

The responsible sourcing Criteria and requirements are proposed to be voluntary, but it is expected that customer and stakeholder expectations as well as peer pressure will provide incentives for steel sites to work to meet these additional requirements. However, some stakeholders are of the opinion that the responsible sourcing requirements should be met to achieve ‘Site Certification’ rather than ‘Steel Certification’. We are keen to hear stakeholder views on this issue. Do you agree with the following statements?

1. The new responsible sourcing requirements should be a prerequisite of ‘Site Certification’.
2. Some of the new responsible sourcing requirements should be a prerequisite for ‘Site Certification’ (If you agree with this statement, please let us know which Criteria you think should be met for ‘Site Certification’)
3. The new responsible sourcing requirements should become mandatory after a certain time, for example three years after having achieved ‘Site Certification’.
4. The new responsible sourcing requirements should be voluntary and should be required only for ‘Steel Certification’.
Annex 1 (for consultation): Responsible Scrap Principles

The ‘Responsible Scrap Principles’ are a set of 13 good practices aimed at helping the steel industry speak with one voice, thus collectively raising awareness of ESG issues in the scrap sector.

The Scrap Principles might be applied as a stand-alone set of principles or might be integrated into a more comprehensive supplier code of conduct. On the part of suppliers, they might be reflected in relevant policies or procedures. Whichever way the Scrap Principles are implemented, steel companies and suppliers may adapt them so that the language better suits their respective corporate culture. What is important though is that the stated aims of the Principles are adhered to.

ResponsibleSteel steel companies are seeking to establish fully responsible scrap supply chains through collaboration. The Responsible Scrap Principles are to:

1. Operate legal and ethical trading practices
2. Maximise high-quality segregation during mechanical processing to avoid contaminants and pollution and to maximise the value obtained from the scrap
3. Ensure the effective management and treatment of environmental pollutants avoiding untreated and hazardous materials and emissions escaping into air, water and onto land
4. Ensure the sound and legal disposal of reprocessing waste streams, encouraging circular economy principles. Do not engage in open burning and open dumping where steel is sourced from mixed materials, such as from old tyres
5. Develop and maintain good housekeeping practices* during collection, including handling, transportation, logistics and at facilities
6. Enable safe manual and mechanical dismantling practices including the provision of appropriate Personal Protective Equipment (PPE)
7. Provide support and compensation for work-related death, injuries or illness to workers and their dependents
8. Not use or tolerate child, forced and compulsory labour
9. Not engage in discrimination of any kind, with particular focus on vulnerable and marginalised groups
10. Ensure fair and timely payment for labour to at least the legal minimum wage or a recognised equivalent when not defined in law
11. Ensure fair treatment of workers that meets local legislation or ILO standards, at a minimum including for working hours, breaks, defined and communicated contractual terms and conditions, collective bargaining opportunities and fair disciplinary practices
12. Communicate these Scrap Principles further up the scrap supply chain
13. Improve ESG achievement tracking and chain of custody practices so that confidence in responsible sourcing can be gained without compromising commercial arrangements.

*Good housekeeping practices include adequate storage space and practices, dedicated and covered safe space for hazardous materials, proper labelling and controls on materials handled, keeping working areas clear of debris, documentation of material flows through premises, maintaining vehicles and equipment and awareness raising and training.
Consultation questions on the Scrap Principles

Do the Responsible Scrap Principles address the key impacts in scrap supply chains?

Should the Principles be more detailed?

Do you foresee any challenges in committing to these Principles?
Annex 2 (for information): ResponsibleSteel-recognised input material programmes

ResponsibleSteel seeks to collaborate with other programmes where this helps achieve our Vision and Mission. To help us decide which programmes to partner with on ESG issues in supply chains, we have developed criteria and a methodology for assessing and recognising those programmes. Recognition decisions are thought to lead to greater uptake for the recognised programmes since companies seeking ResponsibleSteel ‘Steel Certification’ will be incentivised to source from suppliers that meet the standard of the recognised programmes. At the same time, recognition decisions link the reputation of ResponsibleSteel to that of the other programme and so these decisions are not to be taken lightly. The quality of an input material programme depends on the rigour of its standard, its assurance and oversight protocols and its rules on claims and – where they exist – labels. Governance and stakeholder engagement mechanisms as well as transparency of the programme and of verification results are further areas of importance to stakeholders. For these reasons, we assess input material programmes in all these areas prior to taking recognition decisions.

The steel sector relies heavily on mined materials and mining can be associated with complex ESG impacts. For this reason, we started our recognition work by looking into five programmes that promote and verify responsible mining practices: Bettercoal, IRMA, ICMM, ITA and TSM. Some of the assessments are still underway and draft results will be published for stakeholder feedback in due course on the ResponsibleSteel website.

In the future, we might consider looking into additional input material programmes where they seem relevant for the steel sector or where they approach us to seek recognition. For example, for artisanal and small-scale mining (ASM), a programme we might consider recognising in the future is the CRAFT Code (Code of Risk-mitigation for artisanal and small-scale mining engaging in Formal Trade). While ASM does not seem to play a very prominent role in steel supply chains, we should seek to open the door for smaller operators too. Another example is the ASI (Aluminium Stewardship Initiative) which runs a programme for responsible bauxite mining and processing. For charcoal, which relies on wood, we might assess the FSC and equivalent programmes. If and when there is a programme for the responsible management of scrap, we could consider recognising that too.

Input material programmes that are interested in being recognised by ResponsibleSteel are welcome to contact us to find out details.
Annex 3 (for information): Guidance on assessing ESG risk

According to the **OECD Due Diligence Guidance for Responsible Business Conduct**, the purpose of due diligence is to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships.

The guidance acknowledges that carrying out due diligence on every individual relationship may be impossible in some circumstances. In such cases, steel sites should identify general areas where the risk of social and environmental impacts is most significant, whether due to the specific operating context, the particular operations, products or services involved, or other relevant considerations, and should prioritise these for due diligence.

Due diligence may focus on key choke points in scrap supply chains, meaning key points of material transformation that include relatively few actors that handle or process the material and have higher visibility and control over upstream stages. In scrap supply chains, these choke points are likely to be the initial scrap consolidation, collection, shredding, grading and sorting operations at a local or regional level before the scrap is sold onto domestic and international markets. Typically, the mentioned activities occur at businesses operating a physical scrap yard.

Small and medium-sized enterprises with a large number of business relationships may face resource constraints in carrying out effective risk assessments. They should look to existing resources such as public information on risks in certain supply chains. They should also work with their industry associations to obtain technical assistance as needed.

Traders are often a chokepoint where due diligence-relevant information can be restricted. The examples below, adapted from the publication ‘Commodity Trading Sector Guidance on Implementing the UN Guiding Principles: High level scenarios’ offer guidance for steel sites on opportunities for particular trading types.

1. **Commodity Futures Exchanges**: In cases when a seller and a buyer are matched by a commodity futures exchange, the parties involved are typically unable to undertake prior due diligence on the other party. Steel sites could, as part of their policy commitment to the Responsible Scrap Principles individually and collectively encourage exchanges to include due diligence as part of contract specifications. Exchange deliveries are typically treated as low risk with respect to performance, but should be treated as higher risk for human rights, labour conditions and environmental due diligence.

2. **Commodity Brokers**: In cases when a seller and a buyer are matched by a commodity broker, that broker will typically be given a “permitted counterparties” list by its client that includes all the parties with whom that client is prepared to be matched. That list will contain only the names of companies that passed the client’s ‘Know Your Counterparty’ processes and had credit limits put in place in respect of it. Commercially reasonable due diligence for inclusion on a permitted counterparties list can include human rights, ethical practices, labour conditions and environmental due diligence provisions.

3. **Seller/Buyer Relationships**: In cases when a seller and a buyer form a relationship outside a market (exchange, trading platform or network of brokers) due diligence will depend in part on what is achievable prior to the first transaction. Clauses should be included in contracts that permit a termination of the contract in the event that a code of conduct is found to have been breached. This may allow time for a buyer to conduct more due diligence between the time of entering into the contract and the time of performance of the contract. Where the relationship is to be continued over time, it is usual to conduct more comprehensive due diligence, for example by reviewing or requesting codes of conduct or policies, Health, Safety, Security, Environment (HSSE) records, sustainability
reports and by carrying out additional checks on the supplier and its management from different systems and sources a company has access to, including resources on the ground.

4. Spot Supply Contracts: In cases when a seller and a buyer enter into a spot supply contract where the commodities are already in transit (for example on board a vessel) then it is likely that the seller will give no opportunity for due diligence other than to supply required documents (quality and quantity certificates, origin certificate, etc). Steel sites should treat these types of purchases as high risk as it is difficult to verify the accuracy of the certificates or to conduct further due diligence. New digital technologies are being developed in an effort to address these concerns. Industry-wide action will be required to address these high-risk practices.

Scrap risk factors

Risks relating to scrap as an input material can vary significantly. A risk assessment should consider the following factors:

- The country of origin of the scrap material when the scrap first becomes scrap after its previous life. This recognises that regulation and enforcement of regulation varies between countries and that known risks are prevalent in certain countries.

- The supplier. Existing knowledge of a supplier can influence ESG risk assessment as can the size and type of a supplier, recognising that risks may relate to the supply chain stage. For example, risks from bad labour conditions and human rights infringements during shipping may be considered for traders and shipping, while health and safety and environmental pollution risks may be more prevalent at scrap collection sites.

- The type of material. Manufacturing scrap may present lower risk than post-consumer scrap and the ability to generate evidence may vary depending on the type of scrap. Scrap grades may be able to provide greater or lesser confidence in the absence of risks related to specific scrap input materials.

- The value and format of the transaction. Cash purchases present greater risk.

- Unusual circumstances. For example, unusual trading patterns, changes to typical supplier activity, new sources, unavailability of statutory trading documentation may raise risk.

- Established risk profiling information. Some references are provided below which can support the assessment of risk. Proprietary services are also available to support supply chain risk assessment.

For further detail on potential risk assessment documentation regarding environmental impact relevant to traders, see:

Follow-up to the Indonesian-Swiss country-led initiative to improve the effectiveness of the Basel Convention. Framework for the environmentally sound management of hazardous wastes and other wastes

Additional information on reducing ESG risks related to scrap procured from higher risk sources, including from developing countries, can be found in:


Sustainable Electronics Recycling International, R2 electronics recycling standard.
Annex 4 (for information): Multiple levels of performance

In our view, our proposed approach of defining different Levels of performance has a number of advantages:

- It avoids the need to define a single performance threshold, with the inevitable consequence that the threshold is deemed to be too low by some stakeholders, but too high by others;
- as a consequence it avoids the need for a programme to make a binary choice as to whether it will only be open to the best performers in a sector (and therefore not able to engage with the great majority of businesses), or whether it will be open to the majority of businesses (and not able to recognise and incentivise leadership);
- It allows a programme to set and recognise separate performance levels for different attributes, allowing it to recognise and reward businesses that excel in one area of performance, but achieve a lower level of performance in another;
- It allows a programme to recognise businesses which achieve a given threshold, but also to recognise businesses which are demonstrating leadership through higher levels of performance;
- It allows downstream users and specifiers to make procurement commitments that allow them to work with their existing suppliers, but that can also be upgraded and made more progressive over time as a standard becomes more widely adopted and performance levels improve;
- It allows programmes to engage with a broad range of businesses that have achieved different levels of performance to date, often including businesses in developed as well as developing countries, without having to specify distinct regional thresholds that can cause problems when commodities are traded internationally;
- It does not require performance levels to be renegotiated on a rolling basis, with the associated uncertainty for both producers and specifiers.

A major disadvantage is that research shows that consumers do not make a distinction between different certification ratings at the point of sale, and so the approach is likely to be less effective for programmes designed to be driven primarily by consumer preferences exercised at the point of sale, rather than through business-to-business mechanisms.

The approach is widely recognised and used by many standards and assessment programmes with which ResponsibleSteel members and stakeholders are likely to be familiar, including:

- The Alliance for Water Stewardship (AWS) standards and certification scheme, which defines 3 levels of performance, described as: AWS Core (0 – 39 points), AWS Gold (40 -79 points) and AWS Platinum (80+ points).
- The BES 6001 Framework Standard for Responsible Sourcing developed by BRE Global, which defines 4 performance levels described as: ‘pass’, ‘good’, ‘very good’, ‘excellent’.
- The Considerate Constructors Scheme which applies a star rating, with a minimum performance level of 3 stars, a maximum level of 5 stars, and with half-star levels in between.
- The EU Energy Label: which previously distinguished between products on a performance scale from D up to A++, and which has recently been revised to distinguish between products on a
performance scale from G up to A, with the explicit intent that few products should be able to achieve the top ‘A’ grade based on current levels of performance, so the system can drive and recognise improved performance over time.

- The Infrastructure Sustainability (IS) Rating Scheme operated by the Infrastructure Sustainability Council of Australia (ISCA), which defines 5 performance levels described as: bronze, silver, gold, platinum and diamond levels of performance.

- The Initiative for Responsible Mining Assurance (IRMA) standards and certification programme which defines 5 levels of performance, described as: ‘Self Assessment’, ‘IRMA Transparency’, ‘IRMA 50’, ‘IRMA 75’ and ‘IRMA 100 “Certified”’.

- The Towards Sustainable Mining (TSM) programme of the Mining Council of Canada which defines 5 levels of performance from C through to B, A, AA and AAA.

- The US Green Building LEED programme which defines 4 levels of performance, described as: ‘certified’, ‘silver’, ‘gold’ and ‘platinum’.

It is proposed that a multiple level approach would be appropriate for the ResponsibleSteel programme, and performance levels have been defined on this basis in relation to a site’s crude steel GHG emissions intensity performance and in relation to its sourcing of input materials. We welcome feedback on the proposed approach, as well as on the detail for its implementation, during the public stakeholder consultation period.
Annex 5 (for information): Major changes compared to draft 1-0

Here, we are summarising the main changes going from draft version 1-0 to draft version 2-0.

**Responsible sourcing commitment**

Draft version 1-0 asked for a commitment to responsible sourcing. The new draft version goes further in that it also requires for the commitment to be integrated into relevant key functions and processes of the steel site.

**ResponsibleSteel-recognised input material programmes**

When draft version 1-0 was published, we were not yet in a position to give stakeholders an idea of the mining programmes we might recognise under our responsible sourcing requirements. Some stakeholders commented that their feedback on draft version 1-0 might look different if they knew which programmes we would rely on. In the last few months, we developed a methodology and criteria to assess input material programmes and worked with five mining programmes to conduct recognition assessments. Our preliminary results suggest that we will be able to recognise Bettercoal, IRMA and TSM. The assessments of ICMM and ITA are still ongoing at the time of publishing this document. The full draft recognition assessment results and the underlying methodology and criteria will be published for stakeholder feedback in due course on the ResponsibleSteel website.

**Requirements for scrap**

Stakeholder feedback on draft version 1-0 suggested that we might need dedicated requirements for scrap since the complexities and ESG challenges of the scrap sector are very different from those associated with mining. Draft version 2-0 addresses this and outlines specific requirements for external scrap. These requirements take a “softer” approach to scrap than they do to mined material to take account of the fact that scrap is recycled and that the global ESG impacts associated with scrap are perceived to be lower than those of mining.

**ESG risk assessment and risk management**

In draft version 1-0 we asked stakeholders for their opinion on ESG risk management in supply chains and how this should be built into the ResponsibleSteel requirements. Most stakeholders responded that they favour credible third-party auditing against established ESG standards over risk management and due diligence approaches. Steel companies often have little leverage when it comes to suppliers that are located two or more tiers away and they cannot force these “distant” suppliers to meet their demands. Suppliers, on the other hand, are overwhelmed with numerous risk management and due diligence questionnaires that ask similar things but in slightly different ways. In addition, the way that risk management and due diligence assessments and audits are carried out, and any consequences thereof, are often a black box.

ESG standards such as the ones of Bettercoal, IRMA and TSM have been negotiated over years with stakeholders, have often been tested and applied extensively and come with clearly defined audit and oversight protocols. They cover all areas that are usually considered when conducting risk management or due diligence and go beyond risk in many areas since they also define good practices. Due to these reasons, it seemed sensible to make stronger use of these agreed and established standards in our draft version 2-0. Requiring that recognised ESG standards are used in supply chains can help streamline the asks by steel
companies, pool supplier resources, provide a long-term vision for suppliers to work towards and serve as an on-ramp to the recognised programmes for lower-performing suppliers. However, steel companies still have to check-in with their suppliers on progress, offer to support them in addressing ESG issues, and report publicly in aggregated form on supplier assessments against ESG standards, as outlined in our new proposed requirements.

Mass balance

We intended to use the chain of custody model 'Mass Balance' as part of the requirements that would enable steel sites to sell their steel as certified. Mass balance allows for input materials to be mixed, but asks that the percentage of steel that is sold as 'Certified Steel' is equal or lower than the percentage of input material that originates from suppliers with a ResponsibleSteel-accepted ESG achievement level. For example, if the percentage of eligible input material compared to the total of all input material were 10%, only 10% of outgoing steel could be sold as certified.

The Mass Balance model was perceived to imply that the remaining 90% of input material were sourced “irresponsibly”, which might not be the case. It was also considered too complicated for marketing purposes. E.g. if the steel company had sold its 10% of ‘Certified Steel’ three months into the calendar year, all marketing material would have to be changed. While we believe that there are ways to get around this, the third argument convinced us that mass balance is not the best option for us: To achieve ‘Steel Certification’, a steel site has to achieve at least the lowest Level for responsible sourcing and for GHG emissions. The GHG emissions of a steel site cannot be attributed to a certain share of its steel, they apply to all steel coming out of the site. The suggested approach to chain of custody in draft version 2-0 reflects this. It allows that all steel is sold as certified as soon as the lowest Levels for responsible sourcing and GHG emissions are achieved, but the accompanying claims and the publicly reported information will have to explain the detail behind the steel site’s performance. We believe that our reporting requirements provide sufficient transparency to create trust in ResponsibleSteel ‘Steel Certification’ but are keen to hear stakeholder views on this.

‘Certified Steel’ claims

In addition to moving away from the Mass Balance model, we have specified that steel sites must source mined materials originating from mines with a ResponsibleSteel-accepted ESG achievement level for all mined material categories that are covered by our requirements. This means that some:

- Ferrous raw material
- Coal / Charcoal
- Limestone
- Ferro alloys
- Non-ferrous raw materials

must be of such origin before the steel site can claim that its steel is certified. Our draft version 1-0 did not specify which input materials would have to be from ‘verified’ origins and some stakeholders were concerned that steel companies would only look into their bulk material sourcing, i.e. would focus on iron ore and coal. This new requirement will make sure that other input materials are cared for too.
References

In developing these draft requirements for responsible sourcing, we looked to other standards and guidance for inspiration.

- **ASI Chain of Custody (CoC) Standard V2 – Guidance** (draft published for consultation)
- **Bettercoal Code 2.0**
- **CRAFT Code**
- **EMAS EU Eco-Management and Audit Scheme**
- **Follow-up to the Indonesian-Swiss country-led initiative to improve the effectiveness of the Basel Convention. Framework for the environmentally sound management of hazardous wastes and other wastes**
- **FSC Principles and Criteria for Forest Stewardship and International Generic Indicators**
- **ICMM Performance Expectations and Position Statements**
- **IRMA Chain of Custody Standard for Responsibly Mined Materials** (draft published for consultation)
- **IRMA Standard for Responsible Mining**
- **ISO 14001:2015 Environmental management systems — Requirements with guidance for use**
- **ISO 22095:2020(E) Chain of custody - General terminology and models**
- **ISO 26000:2010 Guidance on social responsibility**
- **ISO 45001:2018 Occupational health and safety management systems — Requirements with guidance for use**
- **ISO/IWA 19 (Guidance principles for the sustainable management of secondary metals)**
- **ITA Code of Conduct**
- **OECD Due Diligence Guidance for Responsible Business Conduct’**
- **R2 (Responsible Recycling practices for Use in Accredited Certifications Programs)**
- **RIOS (Recycling Industry Operating Standard)**
- **The Commodity Trading Sector. Guidance on Implementing the UN Guiding Principles on Business and Human Rights**
- **Tools for Environmentally Sound Management** (Bureau of International Recycling)
- **Tools for Occupational Health and Safety Management** (Bureau of International Recycling)
- **TSM Protocols & Frameworks**