



**ResponsibleSteel Standard**

Version 1.1

23 June 2021

About this document

This document is the ResponsibleSteel Standard version 1.1, effective from 23 June 2021. The original version 1.0 was drafted in accordance with the ResponsibleSteel Standard Development Procedure from February 2017 through to October 2019, approved by a ballot of the ResponsibleSteel membership and formally ratified by the ResponsibleSteel Board of Directors in November 2019.

Version 1.0 has been updated to version 1.1 as per the table below. This version of the ResponsibleSteel Standard includes guidance notes as well as an extensive glossary. The intention is that in future the guidance notes and glossary will be removed from the Standard. The glossary has been published as a separate document while the guidance is now part of the ’Implementation Instructions’. The Implementation Instructions are a series of Excel templates that must be used by steel sites and auditors to demonstrate and verify conformity with the Standard's requirements. Both the glossary and the Implementation Instructions are working documents that will be added to as needed to provide clarity on the Standard’s requirements.

For further information about the standard development procedure, its timeline and decision-making process, please refer to the ResponsibleSteel website at [www.responsiblesteel.org/standard-development/](http://www.responsiblesteel.org/standard-development/).

Please visit <https://www.responsiblesteel.org/certification/> for information on the audit and certification process.

Version history

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| **No.** | **Date** | **Description** |
| Version 1.0 | 5 November 2019 | First published version of the ratified ResponsibleSteel Standard |
| Version 1.1 | 23 June 2021 | Included urgent revisions to 8.4.5 and 8.5.1.  Added interpretations to 4.9.1. / 4.9.3. and 9.1.  Added guidance to 1.1 / 1.2 / 7.3 / 8.4.2. and 9.1.2.  Corrected typographical errors found in version 1.0.  Changed some terms to reflect further development of the ResponsibleSteel programme:   * Renamed auditing bodies to certification bodies * Renamed Review Panel to Assurance Panel * Noted that additional responsible sourcing and GHG requirements will be finalised in 2021.   Version 1.1 is for immediate use and supersedes version 1.0. |

Disclaimer

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

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# Background on ResponsibleSteel

Steel is the world’s largest materials industry. Steel is essential to almost every aspect of modern life, but it also brings unique sustainability challenges. Discussions on addressing these challenges led to the formal establishment of ResponsibleSteel in 2016.

ResponsibleSteel is an international, non-profit multi-stakeholder membership organisation. Businesses from every part of the steel supply chain, civil society groups, associations, and other organisations with an interest in a sustainable steel industry from anywhere in the world are welcome to join.

ResponsibleSteel’s vision is that steel’s contribution to a sustainable society is maximised. Its mission is to enhance the responsible sourcing, production, use and recycling of steel by:

* Providing a multi-stakeholder forum to build trust and achieve consensus;
* Developing standards, certification and related tools;
* Driving positive change through the recognition and use of responsible steel.

The ResponsibleSteel Standard is designed to support the responsible sourcing and production of steel, as a tool for the achievement of ResponsibleSteel’s vision.

For further information, please see <https://www.responsiblesteel.org/>.

# Overview of the ResponsibleSteel Standard

1. The Standard

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

In order to achieve this objective, the ResponsibleSteel Standard aims to:

1. Define the fundamental elements that characterise the responsible sourcing and production of steel, to the satisfaction of downstream customers, users and civil society supporters;
2. Define levels of performance in the implementation of these fundamental elements that:

* Encourage the broad participation of steelmakers in both developed and developing countries in the ResponsibleSteel programme;
* Merit the recognition and endorsement of the programme’s civil society supporters;
* Maximise steel’s contribution to a sustainable society through the responsible sourcing of its raw materials and management of the impacts of its production.

The full terms of reference for development of the Standard are shown in Annex 1.

### 2. The Principles

The ResponsibleSteel Standard consists of twelve Principles for the responsible sourcing and production of steel:

**Principle 1. Corporate Leadership**

ResponsibleSteel certified sites are led responsibly.

**Principle 2. Social, Environmental and Governance Management Systems**

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

**Principle 3. Occupational Health and Safety**

ResponsibleSteel certified sites protect the health and safety of workers.

**Principle 4. Labour Rights**

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

**Principle 5. Human Rights**

ResponsibleSteel certified sites respect human rights wherever they operate, irrespective of their size or structure.

**Principle 6. Stakeholder Engagement and Communication**

ResponsibleSteel certified sites engage effectively with stakeholders, report openly on issues of importance to stakeholders, and remediate adverse impacts they have caused or contributed to.

**Principle 7. Local Communities**

ResponsibleSteel certified sites respect the rights and interests of local communities, avoid and minimise adverse impact and support community well-being.

**Principle 8. Climate Change and Greenhouse Gas Emissions**

The corporate owners of ResponsibleSteel certified sites are committed to the global goals of the Paris Agreement, and both certified sites and their corporate owners are taking the actions needed to demonstrate this commitment.

**Principle 9. Noise, Emissions, Effluents and Waste**

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

**Principle 10. Water Stewardship**

ResponsibleSteel certified sites demonstrate good water stewardship.

**Principle 11. Biodiversity**

ResponsibleSteel certified sites protect and conserve biodiversity.

**Principle 12. Decommissioning and Closure**

ResponsibleSteel certified sites minimise the adverse social, economic and environmental impacts of full or partial site decommissioning and closure.

### 3. Scope of application

This ResponsibleSteel Standard applies to operational steel sites and to related sites that process raw materials for steelmaking, or that produce steel products[[1]](#footnote-1). It does not apply to service providers, mine sites, or to sites producing final products[[2]](#footnote-2) made with steel components.

'Site' refers to the physical site under management or control. A single site may consist of multiple processing facilities and related plants for the integrated production of steel, including, for example coke ovens, sinter or pellet plants, furnaces, rolling mills and coating facilities, or may consist of freestanding facilities for the production of specific raw materials for steelmaking such as coke or pig iron, or a free-standing rolling mill. In all cases, the specific scope and boundaries for auditing will be defined at the time of applying for certification, and the Requirements of the Standard will be applicable to all the facilities within the site. Additional detail on the scope of application is provided in the ResponsibleSteel Assurance Manual.

This version of the Standard does not specify Requirements applicable to transportation of the site’s raw materials, or to the transportation of its products.

Some of the Standard's Requirements specify actions or reporting that are implemented by the site's corporate owners. A site's commitment to achieve ResponsibleSteel certification also has implications for its suppliers of raw material, through procurement, and for some service providers, for example in relation to recruitment and employment agencies (under Principles 4 (Labour Rights) and 3 (Occupational Health and Safety), and energy and water suppliers (under Principles 8 (Climate Change and Greenhouse Gas Emissions) and 10 (Water Stewardship).

Overarching policies, procedures, codes of conduct, etc. may be set at the corporate owner or ‘group’ level, rather than separately by the individual sites seeking certification. In such cases, auditors will evaluate whether the policy, procedure, code of conduct, etc. is accessible, known, understood and effectively implemented at the site level. Sites must be able to demonstrate to their auditors that this is the case, but are not required to develop their own policies, etc. at the site level. Where data is collected or records are kept at the corporate owner or ‘group’ level, the site must be able to provide the auditors with access to those data or records.

In principle, all Requirements of the Standard apply to all sites. In some cases though, specific Requirements, Criteria or an entire Principle might not be relevant at a particular site. This might apply, for example, in the case of Principle 12 if no site decommissioning or closure has been announced. Criterion 2.1 specifies that sites must review all ResponsibleSteel Requirements to identify those that they do not consider to be relevant, and to explain the basis for their determination. The justifications will be reviewed by the site’s auditors and will be included in the final audit report summary submitted to ResponsibleSteel. If a Requirement has been wrongly excluded, a certificate will not be issued.

### 4. Sourcing of Raw Materials

A site's commitment to the ResponsibleSteel Principles extends both to its steel production and to its sourcing of raw materials. In some cases, the indirect environmental and social impacts associated with the production and processing of raw materials will be greater than the direct environmental and social impacts of steelmaking itself.

This first version of the ResponsibleSteel Standard requires a high-level policy commitment to responsible sourcing to be made by a site’s corporate owner, together with effective procedures to apply that commitment to the site’s procurement.

Further development of ResponsibleSteel’s Requirements for the sourcing of raw materials, based on the recognition of existing third party mining certification schemes, will take place in consultation with ResponsibleSteel members and other stakeholders in 2020. ResponsibleSteel is currently working with the Mining Association of Canada (MAC) and the Initiative for Responsible Mining Assurance (IRMA) to determine how ResponsibleSteel will use the outputs of their respective assurance programmes as the basis for such recognition. Once a model has been developed and tested, ResponsibleSteel will be in a position to evaluate and recognise programmes that are able to provide credible assurances of social and environmental performance for the raw materials used for steelmaking.

ResponsibleSteel recognition of credible assurance programmes will include consideration of:

* The standard(s) against which sites supplying material are assessed, for example mine site standards, or processing site standards, including consideration of the extent to which the standard aligns with and addresses the issues covered by the ResponsibleSteel Principles and Criteria;
* The system for determining whether the Requirements of the standard have been met (assurance), including consideration of the systems for resolving complaints or disputes in relation to such assessments;
* The extent to which the system and its outputs are transparent and accessible to stakeholders;
* The level of demand in terms of stakeholder or market recognition for the system.

The intent is to apply the same approach to the responsible sourcing of mined materials, scrap and other materials for steelmaking. More broadly, ResponsibleSteel is committed to working with and supporting the emergence of common approaches to the challenges of responsible sourcing and procurement in the mining, minerals and metals sector as a whole.

Pending the finalisation of ResponsibleSteel Requirements for the sourcing of raw materials, certified steelmakers may not make any claims relating to the social or environmental conformity of their steel products with the ResponsibleSteel Standard (see also section 6. below).

### 5. Certification

Each of the twelve ResponsibleSteel Principles is the basis for a number of Criteria and underlying Requirements. Conformity with the ResponsibleSteel Standard is audited at the level of the Requirements specified for each Criterion. For a site to achieve and maintain certification there must be no major non-conformities with any Requirement. Minor non-conformities do not preclude certification but must be corrected.

The ResponsibleSteel 'Implementation Instructions' provide guidance on the Standard’s Requirements to site managers, auditors and other stakeholders. They help to correctly interpret the intent of the Requirements and contain expectations related to conformity and the demonstration of conformity. The Implementation Instructions clarify where a site must follow the guidance if it is to achieve conformity with a specified Requirement. They also include examples of good practice so that sites that follow the provided guidance can be confident that they are implementing the Standard correctly. The Implementation Instructions are a working document and will be added to as experience with auditing against the Standard builds up over time.

Audits are carried out by independent third-party certification bodies approved by ResponsibleSteel and contracted by the site applying for certification. Certification bodies submit a formal audit report to ResponsibleSteel. An independent Assurance Panel, appointed by ResponsibleSteel, reviews the audit report and certification recommendation before certification decision-making can be initiated by the certification body and a certificate can be issued where applicable.

The ResponsibleSteel Standard sets a benchmark for the responsible sourcing and production of steel that has been agreed through a perennial multi-stakeholder process involving business and civil society. While the ResponsibleSteel Standard adopts elements from other relevant standards, guidelines and conventions, it goes beyond them where stakeholders agreed that this was necessary to drive good practice within the steel sector globally. At the same time, the ResponsibleSteel Standard is not as detailed as some of the single-issue standards, guidelines and conventions that it draws from as it covers twelve Principles and is tailored to the steel sector.

Where sites are certified as conforming with other standards (for example ISO 9001, 14001 or 45001) whose requirements overlap with the Requirements of the ResponsibleSteel Standard, auditors may use the findings from these other audits to support their assessment of conformity with the relevant ResponsibleSteel Requirement, as described in the ResponsibleSteel Assurance Manual.

The ResponsibleSteel Standard is an international standard. The Requirements specified in the Standard go beyond minimum legal requirements in many countries. Conformity with the Standard is voluntary, and is intended to identify and reward steelmakers’ contributions to a sustainable society. The ResponsibleSteel Standard does not take priority over a site’s legal obligations. If there is a direct conflict between ResponsibleSteel Requirements and a site’s legal obligations, the legal obligations must prevail, although this may preclude a site from achieving certification.

Further details of the ResponsibleSteel assurance system and procedures are specified in the ResponsibleSteel Assurance Manual.

### 6. Reporting and Claims

The ResponsibleSteel Standard specifies Requirements for public reporting associated with specific Principles, summarised under Criterion 6.3 of Principle 6, Stakeholder Engagement and Communication.

As noted above, this version of the ResponsibleSteel Standard does not include detailed Requirements for the responsible sourcing of raw materials, which will be finalised in 2021. Additional Requirements for internationally consistent measurement of the GHG intensity of steel production as a basis for making claims about steel products also remain to be finalised in 2021.

Pending the completion of these Requirements, certificate holders may not use ResponsibleSteel certification to support any claims about the steel produced at a certified site, and downstream users and customers may not make any claims about their use of steel sourced from ResponsibleSteel certified sites. Specifications for such claims will be developed in parallel with the Requirements for responsible sourcing of raw materials and the measurement of GHG emissions intensity in 2021.

Specifications for claims that may be made by ResponsibleSteel Members, and by certified sites in advance of the finalisation of Requirements for responsible sourcing are under development.

### 7. Review and Revision

The ResponsibleSteel Standard Development Proceduresincludes sections covering:

* Concerns and Complaints
* Comments after Approval
* Urgent Revisions
* Administrative and Non-Substantive Changes
* Clarifications and Interpretations
* Regular Review and Revision

The procedures specify that the Standard must be considered for revision within a maximum of five years from the date of approval. This first version of the Standard will be reviewed and is expected to be revised within three years.

For further details, please see the ResponsibleSteel Standard Development Proceduresat <https://www.responsiblesteel.org/resources/>.

**ResponsibleSteel Standard**

Version 1.1

# Principles, Criteria and Requirements



## Principle 1. Corporate Leadership

##### **Objective:**

##### ResponsibleSteel certified sites are led responsibly.

##### **Background:**

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

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| Criterion 1.1: Corporate Values and Commitments The site’s corporate owners have defined and documented the values and policies for responsible business conduct to which they are committed. |
| 1.1.1. The site’s corporate owners have defined and documented the values, policies and commitments that they require sites under their control to implement, including at least the following:   1. A commitment to support the achievement of the ResponsibleSteel Vision and Mission (2018); 2. A code of ethical conduct or similar instrument; 3. A commitment to comply with all applicable laws, regulations and formal agreements in the countries in which they operate; 4. An anti-corruption policy that:  * Addresses the management of conflicts of interest and political and charitable contributions; * Prohibits extortion, embezzlement, bribery, facilitation payments and money laundering; * Grants protection to employees from demotion, penalty or other adverse consequences for refusing to participate in corruption, even if such refusal may result in the site losing business.  1. 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.   1.1.2. The values, policies and commitments to which the corporate owners are committed to are effectively communicated to the site's workers, and are readily accessible to the public. |
| **Guidance:**  Note that underlined terms are explained in the Glossary, which is included in the Implementation Instructions, and that these explanations are normative.  **Overarching policies, procedures, codes of conduct, etc.** may be set at the corporate owner or ‘group’ level, rather than separately by the individual sites seeking certification. In such cases, auditors will evaluate whether the policy, procedure, code of conduct, etc. is accessible, known, understood and effectively implemented at the site level. Sites must be able to demonstrate to their auditors that this is the case, but are not required to develop their own policies at the site level.  A Policy is a “Formal statement of intentions and direction of an organisation as formally expressed by its top management. A policy may be an integrated policy or consist of various stand-alone policies.” (see the ResponsibleSteel Glossary on <https://www.responsiblesteel.org/certification/certification-resources/).> Alternatively, a policy statement may be part of another formally approved document, such as a code of conduct or internal standard, if that formally approved document meets the ResponsibleSteel requirements.  Publication of commitments in a company’s annual report or in a ‘corporate social responsibility’ report would be evidence of implementation of 1.1.1.  The ETI (Ethical Trading Initiative) Base Code, ISO 26000 - Social responsibility, or the Caux Moral Capitalism Principles are examples of frameworks that might help sites define or review their code of conduct.  ISO 20400: (2017) Sustainable procurement – Guidance might help with the implementation of sustainable procurement practices. |

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| Criterion 1.2: Leadership and Accountability Responsibility for ensuring that the values, policies and commitments defined by the corporate owner are implemented at site level is assigned to the site's directors and senior management. |
| 1.2.1. Responsibility for oversight of the implementation of the values, policies and commitments defined by the corporate owner has been assigned to individual members of the site’s board of directors or an equivalent oversight body.  1.2.2. Responsibility for implementing the values, policies and commitments defined by the corporate owner has been assigned to specific members of senior management.  1.2.3. There is an effective process in place to monitor how well the values, policies and commitments defined by the corporate owner are implemented in practice. Where gaps become evident between the values, policies and commitments and actual business practice and behaviour, the site identifies the root causes and defines and implements actions to address those causes.  1.2.4. Effective procedures are in place for the site’s senior management to report to the site’s board of directors or equivalent oversight body on a regular basis on the implementation of the company’s values, policies and commitments.  1.2.5. There is evidence that the members of the site’s board of directors or equivalent oversight body exercise effective oversight of the implementation of the values, policies and commitments defined by the corporate owner. |
| **Guidance:**  Note that **members of senior management** that are responsible for implementing the values, policies and commitments might be based at the corporate owner or at other parts of the company, they do not have to be based at the site seeking certification.  Linking senior management compensation to effective implementation of the values, policies and commitments is one way of strengthening accountability and considered good practice.  Board of directors or an equivalent oversight body: Where senior management is the site’s highest level of authority, the reporting and oversight requirements of 1.2 are satisfied at senior management level. |

## Principle 2. Social, Environmental and Governance Management Systems

##### **Objective:**

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

##### **Background:**

##### An effective management system identifies a site’s management objectives, ensures that there are policies and procedures in place to achieve those objectives, and requires that performance is measured and monitored over time. Most well-managed steel sites already implement formal management systems covering key social, environmental and governance objectives, based on recognised international standards. The ResponsibleSteel Standard specifies the existence of such systems as a Requirement and also demands that sites ensure that their management systems cover all the applicable Requirements of the ResponsibleSteel Standard. The management system of a site may be an integrated management system or consist of various stand-alone management systems.

##### The ResponsibleSteel Standard aims to avoid repeating the details of internationally recognised management system standards, but includes some Requirements to verify their effectiveness, for example in relation to worker training.

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| Criterion 2.1: Management System The site is operated in accordance with a documented management system that incorporates all applicable social, environmental and governance Requirements of the ResponsibleSteel Standard. |
| 2.1.1. The site has reviewed the ResponsibleSteel Standard to determine whether any of its Requirements are not applicable to the site seeking certification. There is a record of any Requirements that are deemed not to be applicable, and of the basis for such determination.  2.1.2. The site has a documented and effective management system or systems in place that:   1. Identify the site's main social, environmental and governance risks and adverse impacts and includes management provisions to prevent and mitigate these impacts; 2. Include provisions to monitor and achieve compliance with all applicable Requirements of the ResponsibleSteel Standard; 3. Incorporate key performance indicators for the site's main social, environmental and governance risk and impact areas.   2.1.3. The site's system for the management of environmental aspects is certified by a competent third party as complying with the requirements of ISO 14001: Environmental management systems – Requirements with guidance for use. |
| **Guidance:**  **Requirements not applicable to the site seeking certification** do not have to be considered further. This might apply, for example, in the case of Principle 12 if no site decommissioning or closure has been announced. The basis for the site's determination that certain Requirements are not applicable to its site will be reviewed and verified by the auditors during the assessment of the site against the ResponsibleSteel Standard.  The **site’s management systems** may be integrated to form a single overarching management system or may consist of various stand-alone management systems. Examples for recognised international management system standards that the site may use to manage its social and governance aspects and risks include ISO 9001, ISO 37001, ISO 45001 (replacing OHSAS 18001), ISO 50001, and SA8000.  Sites must take account of the concerns of stakeholders when identifying social, environmental and governance risks and impacts, and in defining prevention and mitigation measures.  **Management system provisions**: Note that these provisions do not necessarily have to be developed specifically for the purpose of compliance with the ResponsibleSteel Standard. Existing systems, processes and other relevant certifications may contribute to achieving ResponsibleSteel compliance.  **Examples of key performance indicators** for social, environmental and governance risk and impact areas are:   * Risk of corruption: Number of employees with anti-corruption training * Risk of community grievances due to air emissions: Number and outcomes of community meetings, progress against air emissions reduction plan.   Since each site is different from other sites regarding its risks and impacts, the key performance indicators should be tailored to the respective site. |

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| Criterion 2.2: Responsible Sourcing 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:   1. The corporate owner’s commitment to responsible sourcing is communicated to the site’s tier 1 suppliers of key raw materials; 2. There are documented procurement specifications that implement the corporate owner’s commitment to responsible sourcing as applicable to the site; 3. 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. |
| **Guidance:**  The Requirements recognise that the responsible sourcing policy and procedures may be implemented at corporate or group level or by another department that may operate from an off-site location. The fundamental Requirement is that the procedures must apply to the site’s procurement, must be effective, and can be audited as such.  The **site’s corporate sourcing policy** must, as a minimum, cover the sourcing of the key raw materials listed in Annex 2 where these materials are used by the site. The site’s corporate sourcing policy may apply beyond the tier 1 suppliers of key raw materials. Where this is the case, the site’s procedures should reflect this.  Where **tier 1 suppliers** do not have their own policy on responsible conduct or responsible sourcing, this would be recorded. This would not of itself be a non-compliance for the site. However, the absence of a responsible sourcing policy by a tier 1 supplier does not support the implementation of the corporate commitment required under 1.1.1.e, so the auditor would expect to see action being taken over time to discontinue sourcing from such suppliers.  Note that **additional Requirements in relation to the site’s responsible sourcing** are being developed by ResponsibleSteel, in consultation with its members and other stakeholders, and will be finalised in 2020. Achieving these additional Requirements will allow sites to make stronger claims about their performance and, in particular, about the steel produced at the site. ResponsibleSteel anticipates that downstream customers, civil society, financial institutions and other stakeholders will increasingly demand that steel companies achieve this higher level of performance. |

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| Criterion 2.3: Legal compliance and signatory obligations The site has effective procedures in place to ensure that it complies with applicable law and operates in consistence with formal agreements it is committed to meet. |
| 2.3.1. The site implements documented procedures for:   1. Identifying and understanding its legal obligations and, where applicable, its obligations as a signatory to formal agreements; 2. Integrating legal and signatory obligations into the site's processes and activities; 3. Monitoring site compliance with legal and signatory obligations; 4. Monitoring legal developments and identifying evolving areas of legal risk.   2.3.2. The site carries out regular legal compliance evaluations. In case of potentially non-complying situations, the site identifies the root causes and defines and implements actions to bring them into compliance.  2.3.3. The site maintains records to demonstrate regulatory compliance and consistence with agreements it has committed to meet. |
| **Guidance:**  **Legal obligations** include:   * Legislation, regulations and legally required codes or standards; * Permits, licences and other forms of authorisation; * Local government legislation; * Decisions, directions, rulings or interpretations issued by relevant courts and tribunals.   **Implementation instruction:** Failure to adequately address the cause(s) of identified legal non-compliances would be considered a non-compliance with the ResponsibleSteel Standard, and continued failure, evidenced by repeating or long-standing non-compliance with legal obligations would ultimately result in the withdrawal of the certificate. |

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| Criterion 2.4: Anti-Corruption and Transparency The site has effective procedures in place to combat corruption. |
| 2.4.1. The site:   1. Has identified and listed those parts of its operations and activities that pose high risks of participation in corruption; 2. Has documented procedures to implement and monitor the application of its anti-corruption policy (see Requirement 1.1.1.d), including specific procedures that are applicable to the operations and activities that have been identified as high risk; 3. Investigates incidences of corruption and suspected corruption and imposes sanctions on employees and contractors for corruption and attempted corruption.   2.4.2. The site implements processes to verify the legitimacy of cash transactions, and limits cash transactions to a maximum of US$10,000 (or the approximate equivalent in local currency) or lower where required by law.  2.4.3. As part of its anti-corruption procedures, the site sets criteria and approval processes for the offer and acceptance of third-party financial and in-kind gifts, including hospitality and entertainment, and keeps records of given and accepted gifts that require approval.  2.4.4. In countries with a high corruption risk and in cases of public controversy the effectiveness of the site's anti-corruption procedures is reviewed by an independent and competent party. Root causes of corruption incidents are identified and actions to avoid recurrence are defined and implemented.  2.4.5. The site reports to the public the names of political parties, politicians, public officers and other politically exposed persons (PEP) that have received financial or in-kind contributions directly or indirectly from the site, and the total monetary value they have received.  2.4.6. The site regularly reports to the public the names of business associations, charities and think tanks that have received financial or in-kind contributions directly or indirectly from the site, citing the total monetary value they have received. |
| **Guidance:**  **In-kind gifts:** These should include major charitable donations, sponsorships, community payments, and significant hospitality expenses offered in commercial circumstances.  **High corruption risk:** A country with a score below 50 on the most recent Transparency International Corruption Perceptions Index is considered to have a high corruption risk.  **Indirect contributions:** For example, contributions made by a trade association that the site is a member of.  Sites may find ISO 37001 – Anti-bribery management systems useful for this Criterion.  **Total monetary value received**: It is acceptable to report the total amount received within reasonable ranges, e.g. USD 1,000 to 10,000; USD 10,000 to 100,000; etc. |

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| Criterion 2.5: Competence and awareness Workers are competent and aware of their roles and responsibilities as specified within the site's management systems. |
| 2.5.1. The site has determined the competencies necessary for workers to implement their roles and responsibilities as specified in its management system. Where a role is designated in the management system, competency Requirements have been established for that role and there is an ongoing education and training programme in place to ensure competency.  2.5.2. The site reviews the education, experience, received training and performance of workers regularly to identify competence gaps.  2.5.3. Where gaps are identified, the site takes actions with workers to acquire and maintain the necessary competence.  2.5.4. The site retains documented information as evidence of worker competence.  2.5.5. The site has effective processes in place to ensure that workers are aware of their roles and responsibilities and are competent in their implementation. |
| **Guidance:**  **Actions to acquire and maintain the necessary competence:** These can include, for example, provision of training, mentoring of workers, re-assignment of workers, hiring or contracting of competent persons. The actions must enable workers to understand and implement their roles and responsibilities as defined in the site's management system, which will include the following specific elements as referenced in this Standard:   * Responsible sourcing policy and its requirements and procedures for implementation; * Code of conduct and expected behaviour related to the code (see 1.1.1.b); * Legal obligations and obligations resulting from social and environmental agreements that the site is a signatory to; * Policies and procedures related to anti-corruption, forced, compulsory and child labour, diversity, anti-discrimination and disciplinary practices; * OH&S-related procedures and the hazards and risks of workers' specific roles, how to identify hazards and risks, and how to perform work safely, focusing on prevention and proactive controls; * Processes to engage stakeholders and culturally appropriate ways of interacting with stakeholders such as indigenous peoples and women; * The concept of free, prior and informed consent (FPIC) and related processes; * Security arrangements and procedures; * Policies and procedures related to freedom of association and right to collective bargaining; * Strategies, plans and procedures in relation to the corporate owner's and the site's GHG-related commitments; * Procedures for preventing and reducing noise and vibration and emissions to air, for preventing, detecting and mitigating spills and leakage, for managing waste and production residues; * Procedures related to the site's water stewardship plan and to the management of biodiversity; * Awareness and understanding of human rights and related procedures. |

## Principle 3. Occupational Health and Safety

##### **Objective:**

##### ResponsibleSteel certified sites protect the health and safety of workers.

##### **Background:**

##### Industrial processes can be inherently hazardous, and when accidents or occupational illnesses occur they may have serious or fatal consequences. The top priority at any responsible industrial site is therefore health and safety. The ResponsibleSteel Standard requires that a site implements an occupational health and safety (OH&S) management system in line with a recognised standard to provide a framework for the identification of OH&S hazards and the management of OH&S risks and opportunities. However, ResponsibleSteel is not intending to duplicate existing management system standards. Instead, the Standard focuses on success factors that allow a site to achieve high levels of performance when it comes to health and safety: senior management leadership and accountability; engagement of workers and - where needed - of local communities and others; education and training; effective processes for identifying hazards and controlling risks; and performance evaluation and monitoring. Recognising that the elimination of accidents and illnesses is a continuous journey, the Standard also requires that sites care for and look after their workers.

##### The Occupational Health and Safety Principle fully aligns with the ILO Convention C155. It also links with other Principles of the ResponsibleSteel Standard, most notably Noise, Emissions, Effluents and Waste, since the health and safety of workers and local communities can be affected by the issues covered in those Principles. Criterion 3.7 applies to workers and local communities alike since both would be the main affected parties in case of an emergency.

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| Criterion 3.1: OH&S policy The site has a OH&S policy that recognises the rights of workers and acknowledges the obligations of employers to protect the health and safety of workers. |
| 3.1.1 The site has a public formal OH&S policy that:   1. Provides a framework for the setting of objectives for OH&S; 2. Is applicable to all workers; 3. Has been formally endorsed by the site's senior management and workers are consulted when changes are made to the policy; 4. Is communicated to workers using languages, methods and channels that are understood and are easily accessible to them.   3.1.2. The OH&S policy includes the following commitments:   1. To aim for elimination of OH&S risks through the identification, elimination or control of hazards and for reduction of risks; 2. To provide a healthy and safe working environment; |
| **Guidance:**  **OH&S policy:** At a minimum, the OH&S policy should reflect all the obligations at the level of the undertaking specified in ILO Convention 155. |

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| Criterion 3.2: Health and Safety (OH&S) management system The site establishes, implements, maintains and continually improves a OH&S management system. |
| 3.2.1. The site implements a documented OH&S management system that:   1. Assigns accountability for OH&S to senior management and documents OH&S responsibilities; 2. Covers the full scope of the site's processes, activities, products and services; 3. Shows that the site has taken account of the needs and expectations of workers, local communities and other parties that are affected by its activities; 4. Aligns with a recognised national or international OH&S management system standard or recognised guidelines. |
| 3.2.2. The OH&S management system includes effective documented procedures to:   1. Identify all applicable OH&S laws and regulations in relation to OH&S and ensure that relevant requirements are effectively implemented; 2. Identify and assess potential hazards and associated OH&S risks, including health and wellbeing risks, using competent persons and considering emerging and critical OH&S risks; 3. Determine and implement preventive and protective control measures aimed at eliminating hazards and reducing risks to levels that are as low as reasonably practicable, giving due consideration to industry best practice in determining and implementing control measures. 4. Consult with workers to ensure they have information on and comprehensive participation in OH&S matters and decisions that affect them; 5. Determine and implement education and training programmes for workers on OH&S matters; 6. Report incidents including near-misses and occurrences of occupational diseases on an ongoing basis, undertake investigations, including reviewing absent or failed control measures, and implement effective actions to prevent similar incidents re-occurring in the future. |
| **Guidance:**  **Examples of recognised national or international OH&S management system standards or guidelines**:   * ISO 45001:2018 Occupational health and safety management systems - Requirements with guidance for use; * BS OHSAS 18001 (Occupational Health and Safety Assessment Series) until replaced by ISO 45001; * Guidelines on occupational safety and health management systems ILO-OSH 2001; * Any other national equivalent until replaced by ISO45001:2018 (e.g. AS/NZS 4801 in Australia & New Zealand).   **Matters and decisions that affect workers:** For example:   * Identification and assessment of hazards and risks; * Design of education and training programmes; * Reporting of incidents, occurrences of occupational diseases and their investigation   **Health and Wellbeing Risks** include all occupational health-related diseases, such as organic and systemic diseases, musculoskeletal diseases, mental health risks, burn out and all other work-related adverse health impacts. Note that these may be classified as:   * Acute (show their impact shortly after exposure to a hazard, such as exposure to carbon monoxide); * Cumulative (show symptoms after a longer period of lower-level or repeated exposure, such as hearing loss, pneumonoconiosis, or repetitive strain injuries); * Latent (having a period of delay between first exposure and emergence of symptoms, such as most cancers); * Or may evolve into a chronic condition (symptoms are long-term or permanent, such as asthma, emphysema).   The International Labour Organization (ILO) estimates that 2.78 million workers die from occupational accidents and work-related diseases each year. Over 80% of these deaths are disease-related.  **Effectiveness:** An ongoing examination of leading indicators can give an idea of the effectiveness of OH&S policies, programmes and procedures.  **Critical OH&S Risks:** Sites are advised to pay specific attention to adverse health and safety risks, including but not limited to, risks associated with health and wellbeing (see definition above), process safety, electrical safety, working at heights, product handling, storage & transportation and the operation of equipment and any other risks sites may deem critical.  **Preventive and protective control measures:** These include modification, substitution and elimination of processes, conditions or substances that pose a hazard or health risk, as well as engineering and administrative controls (which can include documented OH&S standards) and personal protective equipment. In choosing where best to control a hazard, the principles of control in industrial or occupational hygiene dictate that the hierarchy should be applied:   1. At the source; 2. Along the exposure path; 3. At the worker only if (1) or (2) are not reasonable or possible.  * At the source: A strategy of eliminating the hazard completely, for example by engineering it out of existence, or substituting a less hazardous chemical. Complete isolation of the hazard that prevents any and all possible exposure can also be described as control at the source. This is the best possible control strategy because no further monitoring, maintenance, control programme, or training is required - the hazard is simply gone. * Along the exposure path: A strategy of controlling a hazard somewhere between its origin and the point of interaction with a worker. Examples would be machine guards and barriers, noise absorbing machine enclosures, local and area ventilation. * At the worker: A strategy of controlling a hazard at the worker. Examples would include work procedures, personal protective equipment (PPE) and administrative controls such as job rotation. This is the least effective point at which to control a hazard because it requires the development of a control programme and constant monitoring for compliance, PPE suitability, PPE fit, PPE maintenance, PPE availability, training, enforcement, etc.   Workers have a right to refuse to perform unsafe or unhealthy work. Sites should consider providing a procedure for handling such refusals, ensuring that no negative consequences arise for a worker exercising this right, so long as it is done in good faith. |

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| Criterion 3.3: Leadership and worker engagement on OH&S The site demonstrates leadership and commitment with respect to OH&S, trains and educates workers on OH&S-related matters on an ongoing basis and has an effective mechanism for worker engagement and participation in key OH&S decisions. |
| 3.3.1. The site's senior management has processes in place to demonstrate personal leadership and commitment with respect to OH&S, including:   1. Setting of OH&S objectives and targets; 2. Engaging workers in key OH&S-related decisions; 3. Regular and effective management review of OH&S risks, opportunities and performance (see Criterion 3.6 below).   3.3.2. The site has an effective mechanism that brings together site management and workers to discuss OH&S-related issues and to engage workers in decisions on key OH&S matters:   1. The purpose, structure, scope and formal rules of procedure of the mechanism, as well as the roles and responsibilities of those participating in the mechanism are documented; 2. Individual workers participating in the mechanism have been freely chosen by workers; 3. The mechanism has a balanced composition where neither site management nor worker interests dominate; 4. There are processes to build and ensure the competence of individuals participating in the mechanism; 5. There are processes to ensure the timely provision of comprehensive and accurate information to enable effective discussion and decision-making by participants.   3.3.3. Beyond the worker-management mechanism, the site implements processes to encourage worker participation to improve OH&S outcomes and provides a mechanism for workers to raise, discuss and participate in the resolution of OH&S concerns with senior management. |
| **Guidance:**  **Effective mechanism that brings together site management and workers:** This may be a Joint Health and Safety Committee or another mechanism for the structured engagement of workers in OH&S matters and decisions. Where worker representatives exist, they may be part of the mechanism.  Note that voicing worker concerns in relation to OH&S issues is covered under Principle 4.  **Formal rules of procedure:** These include, for example, mutually agreed-upon rules on attendance, quorum and under which circumstances voting may be appropriately used as an alternative to consensus decision-making. |

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| Criterion 3.4: Support and compensation for work-related injuries or illness The site provides workers with support and compensation for work-related injuries or illness and cares for their dependents in case of work-related death. |
| 3.4.1. The site has processes in place to provide care and support to injured or ill workers and support rehabilitation, including health and wellbeing.  3.4.2. In countries in which compensation for work-related injury, illness or death is not provided through a government scheme, collective bargaining agreement or mandatory benefits by law, the site has a commitment to cover the costs and losses associated with work-related injury, illness or death.  3.4.3. To implement 3.4.2., the site has documented procedures for:   1. Determining and providing compensation to workers for work-related injury or illness, considering medical expenses, wages during the recovery and rehabilitation period, suitable duties during recovery and rehabilitation and, where recovery is not possible, lost future earnings; 2. Determining and providing compensation to workers if an occupational illness connected to the worker’s duties manifests after a worker has retired; 3. Determining and providing compensation to worker’s dependents in the event of work-related death.   3.4.4. The site keeps records on:   1. Incidents of work-related injury, illness or death; 2. Received claims to compensate for work-related injury, illness or death and how they have been dealt with; 3. Paid compensation and how the compensation amount was determined. |
| **Guidance:**  **Compensation:** Compensation for injured or diseased workers should be provided on a “no-fault” basis, that is, eligibility for and amounts of compensation are not to be adjusted based on apportioned “blame”.  **Commitment** **to cover the costs and losses**: It is good practice to fully insure these commitments outside the books of the company. |

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| Criterion 3.5: Safe and healthy workplaces The site's facilities, plants, infrastructure, workplaces, equipment and tools are safe and maintained in good order. |
| 3.5.1. The site provides facilities, plants, infrastructure, equipment, materials and tools that do not pose risk to health and risk of incidents and ensures they are maintained in safe working order. |
| 3.5.2. The site ensures that workers are provided with a safe and healthy working environment, which includes but is not limited to:   1. Clean and hygienic workplaces, including factory, offices, sanitation areas, food storage and meals break areas with seating; 2. Safe and accessible drinking water, free of charge; 3. Sanitation facilities commensurate with the number of workers and adequate for the gender of workers.   3.5.3. If workers are provided with on-site housing, the site ensures that such housing is maintained to a reasonable standard of safety, security, repair and hygiene, and is provided with sufficient and proper sanitation facilities, drinking water, and access to an adequate power supply. |
| **Guidance:**  **Plants, equipment and tools:** This covers all forms of mobile plants, fixed plants and powered and non-powered tools in use at the site's facilities. For example, forklifts, cranes, trucks, hand tools and personal protective equipment (PPE).  **Facilities and infrastructure:** This includes the facilities of the site and, as applicable, roads, railways, dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals. |

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| Criterion 3.6: OH&S performance The site monitors and discloses key aspects of its OH&S performance and works to improve it over time. |
| 3.6.1. The site monitors OH&S performance through a combination of leading and lagging indicators and keeps performance records. Performance is reviewed by senior management and by the worker-management mechanism on a regular basis and necessary actions are taken to improve OH&S outcomes.  3.6.2. The site has a process to verify its performance data and regularly discloses key aspects of its OH&S performance to the public. |
| **Guidance:**  **Leading Indicators:** These are indicators of an effective OH&S management system to proactively predict performance. The six main categories of leading indicators are those that provide qualitative or quantitative information on the existence or functioning of the following:   1. Effective worker-management mechanism; 2. Visibly committed management; 3. Human resources system: ensuring that the right people are assigned to the right jobs, including training and motivation; 4. Engineering, job design and work rules and procedures system: ensuring that jobs and tasks are properly designed and that procedures exist for doing them safely; 5. Purchasing and maintenance system: ensuring that materials, tools and equipment are as safe as possible; 6. Safety and occupational hygiene system: ensuring, on an ongoing basis, the safest and healthiest working environment possible.   Examples for leading indicators include:   * Near-misses; * Potential serious incident frequency rates; * Risk assessments; * Health assessments; * Progress on objectives; * Participation rates on OH&S initiatives; * Conduct of audits and inspections; * Results of effectiveness of controls monitoring; * Execution and effectiveness of preventative maintenance programmes; * Conduct and effectiveness of OH&S training and meetings; * Level of commitment of all OH&S systems, particularly the worker-management mechanism.   Some of this information can only be obtained by asking, either directly or via surveys of workers, for example. |
| **Lagging Indicators:** These can only be measured after some unwanted outcome. Examples include:   * Fatalities; * Lost time injuries; * Medical treatment cases; * Instances of occupational disease; * Other incidents and injuries; * Compensation payments.   Sites should determine which leading and lagging indicators best suit their operations.  **Fatality:** Accidental death at workplace or arising out of work, including deaths due to occupational diseases.  **Lost time injury:** An injury that prevents a person from returning to his or her next scheduled shift or work period (including fatalities).  **Medical treatment case:** A workplace injury requiring treatment by a medical professional.  **Near-miss incident:** An incident where no injury and ill health occurs but has the potential to do so. May also be referred to as a “near-hit” or “close call”.  **Health and safety incidents:** Near-miss incidents as well as incidents resulting in any injury of ill health |

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| Criterion 3.7: Emergency preparedness and response The site has identified and assessed emergency situations and has tested emergency preparedness and response processes in place to avoid and minimise impact of accidental and emergency situations. |
| 3.7.1. The site has processes in place to identify and assess emergency situations on a regular basis.  3.7.2. The site has documented emergency preparedness and response procedures in place to avoid and minimise loss of life, injuries and damage to property, health and social well-being of its workers, local communities and the environment in the event of accidental and emergency situations.  3.7.3. The documented emergency preparedness and response procedures are developed and regularly tested with workers. Where potential emergency situations might affect local communities or neighbouring organisations, local authorities and emergency responders are engaged in the development and testing of the processes.  3.7.4. The emergency preparedness and response procedures are included in worker and emergency responder training programmes and communication plans. Where relevant, the emergency preparedness and response processes are communicated to local authorities, local communities and neighbouring organisations.  3.7.5. The site tests the effectiveness of its emergency preparedness and response procedures. Where necessary, the site defines and implements actions to ensure the processes are effective.  3.7.6. The site anticipates and insures against the cost of reparation for accidents and emergency situations to ensure that funds are available for implementing effective emergency response, pay compensation for damages, injury or loss of life, and for the site to fund recovery and reconstruction in a timely and efficient manner. |
| **Guidance:**  **Emergency preparedness and response processes** should:   * Be specific to the different kinds of accidents and emergencies that may occur; * Specify training requirements, roles and responsibilities, provision of equipment and resources, and communication plans with potentially impacted workers, communities and individuals. |
| **Emergency Communication Plans** should:   * Be developed in consultation with potentially affected stakeholders such as workers, local communities and authorities; * Identify all affected stakeholders that will be informed of emergencies; * Confirm that communication on emergencies will be issued to affected stakeholders immediately after the incident has been detected; * Specify that the communication will contain the type and potential impact of the emergency, what the site will do to minimise impact, what affected stakeholders can do to minimise impact, and who to contact for any emergency-related inquiries; * Prescribe that the site will issue regular updates on impacts and remediation action to affected stakeholders; * Outline how to coordinate with emergency services; * Describe how the site will respond to inquiries in a timely manner. |

## Principle 4. Labour Rights

##### **Objective:**

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

##### **Background:**

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

##### The ResponsibleSteel Standard aligns with the core labour standards defined by the ILO. It applies a risk-based approach to child and forced labour, meaning it asks sites to analyse whether they face any risk in relation to child and forced labour and, where this is the case, to take action to address these. This approach acknowledges that child and forced labour still exist in many places around the world, even in places where one might not expect them to occur. The Standard further requires that workers, including contracted workers, are treated with respect and dignity, are paid fairly and in a timely manner, and requires sites to make efforts to reconcile work and private life, support the health of workers and advance their qualifications.

##### The Labour Rights Principle has strong links with the Human Rights and the Health and Safety Principles.

##### The ILO core labour standards are laid out in eight Conventions:

##### Freedom of association and the effective recognition of the right to collective bargaining (C087 and C098)

##### The elimination of all forms of forced and compulsory labour (C029 and C105)

##### The effective abolition of child labour (C138 and C182)

##### The elimination of discrimination in respect of employment and occupation (C100 and C111)

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| Criterion 4.1: Child and juvenile labour The site does not use or tolerate child labour, effectively addresses any detected incidents of child labour, and cares for juvenile workers. |
| 4.1.1. The site has a public policy declaring that it does not use or tolerate child labour.  4.1.2. The site has effective procedures in place to:   1. Assess the risk of it engaging or tolerating the use of child labour; 2. Analyse if there are children working at its site. The results of these analyses are documented.   4.1.3. Where there is a risk of child labour being engaged or tolerated at the site, there are effective procedures in place to:   1. Address these risks; 2. Record, investigate and address any identified concerns related to child labour; 3. Take action to remove child labour where it is detected, with provisions to ensure the continued welfare of the child and, where the child is a primary provider, its family.   4.1.4. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use of child labour.  4.1.5. In relation to juveniles, the site has an effective procedure in place to:   1. Identify and document the types of work that juveniles should not perform, such as work that requires significant experience or specialist training, to ensure they are not exposed to activities that might be hazardous or harmful to their health or safety; 2. Ensure that juveniles do not perform the work outlined in 4.1.5.a. |
| **Guidance:**  **Child labour:** The site shall only employ or accept persons who are at least 15 years old, have reached the applicable minimum legal age for employment, or who have passed the applicable age for compulsory education, whichever is highest.  **Child labour at the site:** The risk analysis of the site shall not only cover workers employed directly by the site but also workers employed by contractors, agencies, etc. that perform activities at the site. |

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| Criterion 4.2: Forced or compulsory labour The site does not use or tolerate forced or compulsory labour and effectively addresses any detected incidents of forced or compulsory labour. |
| 4.2.1. The site has a public policy declaring that it does not use or tolerate the use of forced or compulsory labour.  4.2.2. The site has effective procedures in place to:   1. Analyse if there is forced or compulsory labour at its site. The results of these analyses are documented; 2. Identify and document the risk of forced or compulsory labour at the site.   4.2.3. Where there is a risk of forced or compulsory labour at the site, there are effective procedures for:   1. Addressing these risks; 2. Recording, investigating and addressing any allegations related to forced or compulsory labour; 3. Taking action to remove forced and compulsory labour where it is detected, with provisions to ensure the continued welfare of the workers in question.   4.2.4. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use of forced and compulsory labour. |
| **Guidance:**  **Analyse if there is forced or compulsory labour**: The risk analysis of the site shall not only cover workers employed directly by the site but also workers employed by contractors, agencies, etc. that perform activities at the site. Indications of forced and compulsory labour are:   * The freedom of movement of workers in the workplace, in on-site housing, or upon entering or exiting facilities associated with the site is unreasonably restricted; * Workers’ original government-issued identification and travel documents, such as identity papers, are retained; * Workers have to bear costs related to recruitment, have to lodge deposits, security payments or pay fees for work equipment; * Workers are prevented from terminating their employment after reasonable notice or as established by applicable law.   **Costs related to recruitment**: Any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection (Adopted from: General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs. International Labour Office - Fundamental Principles and Rights at Work Branch, Labour Migration Branch – Geneva: ILO, 2019).  **Examples for recruitment-related costs are**: Agency service fees, recruitment or placement service fees, airfare or fare for other mode of international transportation, terminal fees, and travel taxes, costs or fees for passport, visa, work and/or residence permits (including renewals), pre-deployment skills tests, certifications, medical exams or other requirements for employment, training or orientation, transportation to and from airport to facility or provided accommodations, security deposits or bonds, etc. |

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| Criterion 4.3: Non-discrimination The site's hiring decisions and employment relationships are based on the principle of equal opportunity, actively prevent all forms of discrimination and promote inclusion and workforce diversity. |
| 4.3.1. The site has a public policy stating that it:   1. Prohibits discrimination in its hiring and other employment practices; 2. Provides equal pay for work of equal value; 3. Where relevant, ensures that migrant workers are engaged on equivalent terms and conditions as non-migrant workers carrying out similar work.   4.3.2. The site has effective procedures in place to analyse the risk of workers being affected by discrimination. The results of the analyses are documented.  4.3.3. Where there is a risk that workers are affected by discrimination, the site has effective procedures to:   1. Address these risks; 2. Document, investigate and address any incidents or allegations of discrimination.   4.3.4. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit discrimination.  4.3.5. The site implements a programme to promote inclusion, workforce diversity, gender equality and to create a non-discrimination culture among workers.  4.3.6. The site collects data demonstrating that it provides equal pay for work of equal value. |
| **Guidance:**  **Discrimination at the site:** The risk analysis of the site shall not only cover workers employed directly by the site but also workers employed by contractors, agencies, etc. that perform activities at the site.  Note that where local legislation or law requires **positive discrimination** in favour of local residents, indigenous peoples, or individuals who have been historically disadvantaged, this may not be regarded as discrimination.  **Equal pay for work of equal value:** In order to determine the value of a job for the purpose of applying the principle of equal pay for work of equal value, an objective assessment in accordance with relevant and appropriate criteria must be undertaken. The basic criteria used to valuate jobs are:   * The responsibility demanded of the work, including responsibility for people, finances and material; * The skills, qualifications, including prior learning and experience required to perform the work, whether formal or informal; * Physical, mental and emotional effort required to perform the work; * The assessment of working conditions may include an assessment of the physical environment, psychological conditions, time when and geographic location where the work is performed. (adapted from Equality and Human Rights Commission)   **Data demonstrating equal pay for work of equal value**. This may include data that compares the pay for work of equal value, such as:   * The difference between average pay and total pay of women and men for each equal work group; * Comparison of access to and amounts received of each element of pay. (adapted from Equality and Human Rights Commission) |

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| Criterion 4.4: Association and collective bargaining The site respects and supports workers’ rights to freedom of association and collective bargaining. |
| 4.4.1. The site has a public policy stating that it allows workers to associate freely with others, form or join organisations of their choice and bargain collectively, without interference, opposition, discrimination, retaliation or harassment.  4.4.2. Where national law restricts workers' organisations, the site has evidence showing that it respects and does not obstruct legal alternative means for workers to associate freely.  4.4.3. There is a documented process for engaging in collective bargaining processes that shows that the site:   1. Participates in good faith; 2. Provides workers’ representatives and workers’ organisations with the information needed for meaningful negotiation and does so in a timely manner; 3. Does not hire replacement workers or use agency personnel as a strategy to prevent or break up a legal strike, support a lockout, or avoid negotiating in good faith.   4.4.4. Where collective bargaining agreements exist, the site has evidence showing that it adheres to their provisions.  4.4.5 The site:   1. Respects the right for employment and recruitment agency workers to collectively bargain, and their freedom of association; 2. Provides to employment and recruitment agencies information regarding the provisions of any collective bargaining agreements that are applicable to site workers carrying out similar work, for them to review and consider; 3. Requires employment and recruitment agencies to comply with 4.4.1 of this Standard; 4. Requires employment and recruitment agencies to adhere to Collective Bargaining Agreements that apply to them. In the absence of an applicable Collective Bargaining Agreement, the legal minimum wage or prevailing industry standard conditions, whichever is the greater, will apply; 5. Ensures that where employment and recruitment agencies are used on the site, the site has demonstrable processes in place to ensure the Health and Safety of workers is protected.   4.4.6. Workers’ representatives have access to facilities suitable for carrying out their functions, such as designated non-work areas for communicating with workers. |
| **Guidance:**  **Policy on association and collective bargaining:** This shall be in line with ILO Conventions C87 and C98.  **Replacement workers:** Note that the site may hire replacement workers to ensure that critical maintenance (including that required to prevent serious damage to plant), health and safety, and environmental control measures are maintained during a legal strike. |

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| Criterion 4.5: Disciplinary practices The site does not use, threaten to use or tolerate disciplinary practices that undermine workers' dignity and effectively addresses any detected incidents of such disciplinary practices. |
| 4.5.1. The site has a public policy that prohibits threats or use of disciplinary practices that undermine workers' dignity (called 'undignified disciplinary practices' hereafter).  4.5.2. The site has effective procedures in place that have been developed together with workers and their legitimate representatives to analyse the risk of undignified disciplinary practices being used or threatened to use. The results of the analyses are documented.  4.5.3. Where there is a risk that the site causes or tolerates undignified disciplinary practices, the site has effective procedures to:   1. Address these risks; 2. Document, investigate and address any incidents and allegations of undignified disciplinary practices being used or threatened to use.   4.5.4. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly prohibit the use or threat of using undignified disciplinary practices. |
| **Guidance:**  **Undignified disciplinary practices at the site:** The risk analysis of the site shall not only cover workers employed directly by the site but also workers employed by contractors, agencies, etc. that perform activities at the site. |

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| Criterion 4.6: Hearing and addressing worker concerns The site ensures that issues of concern to workers are resolved. Workers and their representatives can communicate openly and safely with management regarding working conditions. |
| 4.6.1. The site has documented and effective procedures in place that can be used by workers and workers' representatives to voice concerns and for the investigation of concerns. The procedures:   * 1. Allow workers and their representatives to report concerns without fear of reprisal, intimidation or harassment. Workers and their representatives can choose to report concerns in an anonymous manner, where this is legally accepted, and via a third-party mechanism;   2. Ensure that concerns are investigated and resolved in an impartial and timely manner, and that complainants are informed of the outcomes of the investigation;   3. Require that records of raised concerns, investigation processes and outcomes are maintained, ensuring that confidentiality in relation to the party or parties that raised the concern is maintained.   4.6.2. Workers and their representatives are made aware of the site's procedures and how to access reporting mechanisms using languages, methods and channels that are understood and are easily accessible to them.  4.6.3. The site provides mechanisms to workers and their representatives for suggesting improvements or changes to the workplace and to working conditions. The site keep records of received suggestions and how they are considered. |
| **Guidance:**  **Concerns:** These include worker grievances, allegations of misconduct, allegations of policy breaches in the areas of disciplinary practices, health and safety, etc.  **Third-party mechanism:** A third-party mechanism does not necessarily have to be set up specifically for the site. Academic bodies, state agencies such as a local ombudsman, non-profit organisations are all examples of third-parties that have played a role in grievance mechanisms. There are also service providers specialised in running grievance mechanisms. Third parties can serve as facilitators, access points for the mechanism, technical experts, co-investigators, mediators, appeals assessors or oversight panel members. Some companies have also engaged third-parties to provide independent monitoring of the grievance mechanism on a regular basis. Sites may consult the IPIECA Good Practice Survey on operational level grievance mechanisms to seek advice on how to set up and manage grievance mechanisms. While it was developed for oil and gas companies, its advice is relevant for companies of other sectors. |

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| Criterion 4.7: Communication of terms of employment The site ensures that workers understand their current employment terms with regards to wages, working hours and other employment conditions. |
| 4.7.1. The terms of employment are laid out in written contracts for all workers and are communicated to them at the beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers. The terms of employment include:   1. Workers' rights under national labour and employment law; 2. Days and hours of work, payment, overtime, compensation, and benefits; 3. Applicable collective agreements; 4. Pay structure and pay periods.   4.7.2. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly ask for the terms of employment to be communicated to workers at the beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers. |
| **Guidance:**  N/a |

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| Criterion 4.8: Remuneration The site pays workers fairly, regularly and on time, there are no inappropriate deductions from wages and overtime is rewarded. |
| 4.8.1. The site has a public remuneration policy that commits the site to:   1. Pay at least the applicable legal minimum wage to all workers or the wage set through a collective agreement, whichever is higher. Where there is no legal minimum wage and no collective agreement, the site pays the prevailing industry standard. The site also pays any benefits required by law or contract; 2. Reward workers for overtime hours at a premium; 3. Pay workers in monetary means only and in full.   4.8.2. The site has an effective procedure in place to ensure that workers are paid accurately and on time and that there are no wage deductions other than deductions required by law.  4.8.3. For each pay period, workers are provided with a timely and understandable pay statement that includes sufficient information to verify accurate payment for performed work.  4.8.4. The site's contracts with employment and recruitment agencies and with other external providers of workers require them to pay all workers performing activities at the site:   1. The applicable legal minimum wage or, where there is no legal minimum wage, the prevailing industry standard, plus any benefits required by law; 2. In monetary means only, in full and on time.   4.8.5. Where there are on-site shops, the site ensures that goods and services are not offered above the regional market price and that workers are not coerced into buying goods and services from these shops.  4.8.6. Where accommodation is provided by the site or on behalf of the site, it is offered at no more than the appropriate market rate.  4.8.7. If requested by the workers’ representatives, the site commits to introduce a living wage for its workers. The commitment requires the site to:   1. Work with the regional government, other companies and, where they exist, with trade unions to define the regional living wage, unless it has already been defined; 2. Develop a time-bound plan to implement the living wage over time. |
| **Guidance:**  **Prevailing industry standard**: These might be available from the Department of Labour, the statistical bureau or other government entities of the respective country. Where this is not the case, job sites or statistics service providers might be a useful resource.  **Overtime hours:** ILO ConventionC001 - Hours of Work (Industry) specifies that "the rate of pay for overtime shall not be less than one and one-quarter times the regular rate". This may serve as guidance for sites on how to reward overtime.However, overtime might be compensated with time rather than money.  **Payment in monetary means only:** This does not apply to benefits such as insurances, medical plans or stock options that might be part of the overall payment package.  **Deductions required by law**: These might apply for social insurance and tax provisions. There can be no deductions as a disciplinary measure and sites cannot force workers into saving schemes or runaway insurance.  **Living wage**: Existing living wage estimates and guidance on how to estimate the living wage can be found on the website of the Global Living Wage Coalition (https://www.globallivingwage.org/). |

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| Criterion 4.9: Working time The site complies with applicable law and industry standards on working time, overtime, public holidays and paid leave. |
| 4.9.1. The site has a public policy stating that:   1. Effective fatigue management is key in determining working time, shift patterns and time off for workers; 2. Activities requiring overtime work are accepted voluntarily by workers; 3. All workers are provided with appropriate time off for meals and breaks, demonstrating effective processes for fatigue management; 4. The site provides all workers with paid annual leave of at least three working weeks after the worker reaches one year of service.   4.9.2. The site's contracts with employment and recruitment agencies and with other external providers of workers explicitly bind them to the provisions of the site's public policy on working time.  4.9.3. The site grants paid maternity leave of at least 12 weeks.  4.9.4. Where its activities allow this, the site offers flexi-time working and reduction of working time to care for children or other dependents. |
| **Guidance:**  **Effective fatigue management**: In line with ILO Convention C001 - Hours of Work (Industry), regular workweeks should not exceed 48 hours and workers should have at least one day off every seven days. However, agreements with worker organisations might stipulate something different and in the case of shift work or in exceptional circumstances (such as emergency situations or in case of fly-in, fly-out sites the weekly limitation of working hours might be exceeded as long as the site has effective processes in place to manage worker fatigue.  **Maternity leave:** Sites may go beyond this Requirement and offer some parental leave also to fathers. Maternity/parental leave may not necessarily be paid at 100% of the full salary, although this is considered best practice.  **Interpretation on 4.9.1.b):**  In some jurisdictions and under specific circumstances, the law might permit to require overtime from workers, for example in crisis situations.  Where sites can credibly demonstrate that this kind of required overtime has been agreed with unions and that it is imposed in exceptional circumstances only and in a way that takes account of the needs of vulnerable workers such as pregnant women, auditors might accept this as meeting requirement 4.9.1.b.  However, auditors should verify that the respective unions genuinely represent workers' interests and that they are not so-called 'paper unions'. Secondly, they should verify that the provision is only applied to 'specific circumstances' as defined by law and has not become something that is regularly applied to force workers to accept conditions that they would otherwise consider unacceptable. This might be verified through interviews with worker and union representatives.  **Interpretation on 4.9.1.d):**  Requirement 4.9.1.d has been framed around ILO Convention C132 - Holidays with Pay. The Convention says in Article 3: 'The holiday shall in no case be less than three working weeks for one year of service'. It also says in Article 6: 'Public and customary holidays, whether or not they fall during the annual holiday, shall not be counted as part of the minimum annual holiday with pay'.  To remain in line with this ILO Convention, the required 3 weeks of paid annual leave do not include paid federal holidays.  For workers that have been with the site for less than 1 year, it is acceptable that paid federal holidays count towards the 3 weeks.  **Interpretation on 4.9.3:**  It is acceptable if payment for granted maternity leave comes from the government rather than the site. |

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| Criterion 4.10: Worker well-being The site promotes worker well-being through offers to reconcile work and private life, support the health of workers and advance their qualifications. |
| 4.10.1. The site promotes worker well-being through the provision of measures that are aimed at reconciling work and private life, supporting the health of workers and advancing their qualifications.  4.10.2. The measures to promote worker well-being are available to all workers employed directly by the site. Workers are made aware of the measures to promote worker well-being and how to access them using languages, methods and channels that are understood and are easily accessible to them. |
| **Guidance:**  **Measures to promote worker well-being**: Worker use of these measures must be optional rather than mandatory. The below measures might serve as examples. Note that sites are not expected to implement all of the listed measures. What the site offers to workers should be scaled to its size and context:   * Kindergartens at the workplace or agreements with nurseries to care for their children at regionally common or reduced fees; * Site canteen, restaurant cheques or other catering programmes, provided that the use of these offers do not lower worker remuneration; * Free or reduced cost transport to workplace; * Site-organised and paid-for cultural, sports or recreational activities for workers and their families; * Grants, loans or subsidies for education and training offered to workers and their families at regionally common or reduced terms; * Insurance or health programmes for workers and their families at regionally common or reduced rates; * Care programmes in case of severe family illness or accident, including life insurance policies at regionally common or reduced rates; * Worker pension plans at regionally common or reduced rates. |

## Principle 5. Human Rights

##### **Objective:**

##### ResponsibleSteel certified sites respect human rights wherever they operate, irrespective of their size or structure.

##### **Background:**

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

##### Internationally recognised human rights are laid out in the International Bill of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work. The UN Guiding Principles on Business and Human Rights set guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations. The ResponsibleSteel Standard is designed to align with these instruments.

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

##### The ResponsibleSteel site certification Standard focusses mainly on a site’s direct impacts on human rights. Requirements relating to indirect impacts mediated through the site’s supply chain will be developed in 2020 as part of the ResponsibleSteel responsible sourcing Principle.

##### The ResponsibleSteel Principles on Local Communities, Labour Rights and Health and Safety also support the site’s implementation of human rights, even if the term ‘human rights’ is not contained in their titles or in their Requirements.

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| Criterion 5.1: Human rights due diligence The site acts diligently to avoid infringing on the rights of others and to address adverse human rights impacts. |
| 5.1.1. There is a public policy on the site's commitment to respect human rights.  5.1.2. In line with a specified procedure, the site has identified and assessed the human rights-related risks and adverse impacts that it causes or contributes to. The identification and assessment of human rights-related risks and impacts is updated on a regular basis and is informed by input from internal and external stakeholders.  5.1.3. Where it causes or contributes to human rights-related risks or adverse impacts, the site implements effective procedures to identify the root causes and to define actions to prevent and mitigate these risks and adverse impacts.  5.1.4. The actions to prevent and mitigate human rights-related risks and adverse impacts are communicated to workers and local communities using languages, methods and channels that are understood and are easily accessible to them.  5.1.5. The effectiveness of the site's procedures for preventing and mitigating human rights-related risks and adverse impacts is regularly verified by a competent independent party. Where the site has been the subject of controversy in relation to human rights impacts, verification is conducted by a competent third party. |
| **Guidance:**  **Human rights** cover a wide range of impacts on people. There are civil and political human rights, such as the right to life, equality before the law and freedom of expression. Economic, social and cultural rights, such as the rights to work, social security and education, are also part of human rights, just like collective rights, such as the rights to development and self-determination. (Adapted from the United Nations Office of the High Commissioner for Human Rights and from United for Human Rights)  An authoritative list of the core internationally recognised human rights is contained in the International Bill of Human Rights (which consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights and its two Optional Protocols), coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. These are the benchmarks against which social actors assess the human rights impacts of companies. The responsibility of companies to respect human rights is distinct from issues of legal liability and enforcement, which remain defined largely by national law provisions in relevant jurisdictions. (Adapted from the UN Guiding Principles on Business and Human Rights).  It should be noted that "the environment is never specifically mentioned in the Universal Declaration of Human Rights, yet if you deliberately dump toxic waste in someone's community or disproportionately exploit their natural resources without adequate consultation and compensation, clearly you are abusing their rights. Over the past 60 years, as our recognition of environmental degradation has grown so has our understanding that changes in the environment can have a significant impact on our ability to enjoy our human rights. In no other area is it so clear that the actions of nations, communities, businesses and individuals can so dramatically affect the rights of others - because damaging the environment can damage the rights of people, near and far, to a secure and healthy life." (Adapted from the United Nations Office of the High Commissioner for Human Rights, https://www.ohchr.org/EN/UDHR/Pages/CrossCuttingThemes.aspx) |

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| Criterion 5.2: Security practice The site does not support public or private security providers engaged in illegal practices and works to ensure that security providers respect human rights. |
| 5.2.1. The site has a public policy on security arrangements that commits to respect human rights and public freedoms.  5.2.2. In areas where there is a need for extensive measures to ensure security of people, property and assets, the site:   1. Analyses the options for managing risk and avoiding threat to life of workers and visitors to the site and uses armed security only when there is no reasonable alternative; 2. Consults with the government and with local communities on security arrangements; 3. Communicates key aspects of the security arrangements to local communities using languages, methods and channels that are understood and are easily accessible to them.   5.2.3. The site has documented procedures that cover:   1. Screening of security personnel and public and private security providers regarding their involvement in human rights abuses and illegal practices; 2. Regular training of security personnel and providers on their roles and appropriate behaviour; 3. Deployment of security personnel and providers and the individuals working for them; 4. Monitoring of security personnel and provider conduct; 5. Investigation of allegations of human rights abuses by security providers. |
| **Guidance:**  **Security arrangements and procedures**: Sites may consult the Voluntary Principles on Security and Human Rights for guidance on security practices. While these have been developed for the extractives sector, they are relevant for other sectors as well. Practical guidance on how to implement the Voluntary Principles has been developed by ICMM, ICRC, IFC and IPIECA.  **Extensive measures to ensure security:** This refers to, for example, the use of armed security, apprehension of persons or the use of drones. |

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| Criterion 5.3: Conflict-affected and high-risk areas The site does not contribute directly or indirectly to armed conflict, human rights abuses or risks for workers and communities in conflict-affected or high-risk areas. |
| 5.3.1. When operating in conflict-affected or high-risk areas, the site has a public policy confirming that it does not tolerate any direct or indirect support to non-state armed groups or their affiliates who:   1. Illegally control mine sites, transportation routes and/or upstream actors in the supply chain; 2. Illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; 3. Illegally tax or extort intermediaries, processing companies, export companies or international traders.   5.3.2. For conflict-affected or high-risk areas, the site has effective procedures in place to:   1. Monitor its transactions, flows of funds and resources to ensure it is not directly or indirectly providing funding or support to non-state armed groups; 2. Immediately suspend or discontinue engagement with business partners where the site has identified a reasonable risk that it is linked to any party providing direct or indirect support to non-state armed groups. |
| **Guidance:**  **Conflict-affected and high-risk areas:** These are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law. (Adopted from the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas)  Sites are advised to use the OECD Due Diligence Guidance to identify if they are active in conflict-affected and high-risk areas. |

## Principle 6. Stakeholder Engagement and Communication

##### **Objective:**

##### ResponsibleSteel certified sites engage effectively with stakeholders, report openly on issues of importance to those parties, and remediate adverse impacts they have caused or contributed to.

##### **Background:**

##### Companies increasingly recognise that poor relations with stakeholders can increase business and reputational risk. The ResponsibleSteel Standard understands effective engagement between a site and its stakeholders as an inclusive and continuous process. Engagement is based on openness and fairness, and focuses on issues that are most important to the parties concerned. The process of engagement and communication can be viewed as a low priority when there is no current conflict or crisis. However, if a conflict or crisis arises, the absence of established relationships and channels of communication makes it more difficult for a site to manage the situation. For this reason, the ResponsibleSteel Standard emphasises the importance of ongoing engagement.

##### A stakeholder is a person or organisation that can affect, be affected by, or perceive itself to be affected by a decision or activity of a site (adapted from ISO 14001:2015(en) Environmental management systems - Requirements with guidance for use). Stakeholders can include local communities and their formal and informal representatives, indigenous peoples, national or local government authorities, politicians, trade and labour unions, civil society organisations, marginalised groups, religious leaders, or the academic community.

##### They also include suppliers, contractors, distributors and customers, as well as workers and contractors who depend on the site for their health and safety and livelihoods. Principle 6, however, focusses primarily on the site’s engagement and communication with parties that do not hold a business or contractual relationship with the site, and with which the site may not otherwise engage in its day-to-day management.

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| Criterion 6.1: Stakeholder engagement The site provides stakeholders with the means and opportunities to engage effectively on issues that matter to them. |
| 6.1.1. The site has identified and maintains a list of stakeholders and their representatives who may be affected by or take an interest in the site's activities.  6.1.2. The site understands the interests and concerns of stakeholders and their representatives and, in particular, the legal and customary rights, interests and concerns of local communities.  6.1.3. The site consults with stakeholders and their representatives on accessible, culturally appropriate and inclusive methods of engaging them. The site undertakes efforts to understand and remove potential barriers to engagement, paying particular attention to marginalised groups.  6.1.4. The site has a plan in place for the effective engagement of stakeholders, scaled to its size and to the environmental and social risks and adverse impacts associated with its activities, including provisions to:   1. Engage with stakeholders on a regular basis and on issues that are relevant to them; 2. Engage in a manner that is free from manipulation, interference, coercion or intimidation; 3. Take account of stakeholders’ concerns in site management, in day-to-day business, in designing operational processes and in taking decisions that may affect them; 4. Provide information to stakeholders in a manner that is timely, easy to understand and comprehensive enough for them to assess the matter at hand; 5. Provide feedback to stakeholders on how significant concerns have been taken into account by the site.   6.1.5. The site keeps records of the key activities it undertakes to implement its stakeholder engagement plan, of material inputs it receives and actions taken in response.  6.1.6. The site’s plan for engagement with stakeholders and the outcomes of engagement are regularly reviewed by senior management. |
| **Guidance:**  The International Finance Corporation's (IFC) Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets can help companies plan and design their stakeholder engagement work.  Guidance Note 1 on the IFC Performance Standards on Environmental and Social Sustainability provides guidance on stakeholder engagement as well.  Another useful resource is the AA1000 AccountAbility Stakeholder Engagement Standard. It is a global standard that supports organisations in assessing, designing, implementing and communicating an integrated approach to stakeholder engagement.  Sites should pay particular attention to marginalised groups when planning and implementing their stakeholder engagement work. Depending on the site's context, marginalised groups may be indigenous peoples, minorities, women, etc. IFC Guidance Note 7 provides useful advice on how to engage with indigenous peoples.  Stakeholder engagement plan: The purpose of a stakeholder engagement plan is to describe a site's strategy and programme for engaging with stakeholders (adapted from IFC). Stakeholder engagement may be conducted by different departments of the site who can be the owners of their topic-specific engagement processes. As such, the stakeholder engagement plan does not have to be an integrated stand-alone document. What is important though is that stakeholder engagement happens in a coordinated fashion across departments to ensure that it is not counterproductive. The plan should contain indicators to measure the quality of stakeholder engagement and the impact of engagement. Examples for indicators include the number of meetings or engagement points with stakeholders, or the number of grievances raised and resolved. Further examples can be found in IFC Guidance Note 1, Annex C. |

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| Criterion 6.2: Grievances and remediation of adverse impacts The site offers a grievance mechanism to address concerns and engages in remediation where it has caused or contributed to adverse impacts. |
| 6.2.1. The site has a documented and effective grievance mechanism that:   1. Is readily accessible to all stakeholders at no cost; 2. Includes an explanation of how the site will consider concerns or grievances that are raised, describing the process, responsibilities, contact details, approximate timeframe and how the party raising the issue will be informed of outcomes; 3. Gives due consideration to local customs, traditions, rules and legal systems; 4. Ensures confidentiality and can be used without fear of retaliation. Where this is legally acceptable, the mechanism can be used to register issues in an anonymous manner.   6.2.2. The site takes measures to ensure that stakeholders are aware of the grievance mechanism.  6.2.3. The site has documented procedures to:   1. Register any issues raised; 2. Determine a process to evaluate the issue and develop its response, in consultation with the party raising the concern, if that party is known; 3. Document its response in line with its defined process and provide its response to the party raising the concern, if that party is known.   6.2.4. Where concerns have been raised that the site has caused or contributed to adverse human rights impacts:   1. The concerns are reviewed to determine if they are indeed related to human rights; 2. Where this is the case, the process for evaluation and response includes the participation of a competent third party.   6.2.5. The site cooperates in legitimate processes for consideration of remediation, and if it is determined that the site has caused or contributed to adverse human rights, community health or safety impacts, the site provides for remediation and ceases or changes the activity that was responsible for the impact.  6.2.6. The site involves local communities in monitoring and verifying that commitments made in response to grievances are implemented appropriately. |
| **Guidance:**  Sites have many environmental and social impacts and so concerns and potential grievances by stakeholders are to be expected. How a site responds to them or is perceived to be responding can have significant implications for business performance and for stakeholders. The site's grievance mechanism should be scaled to fit its level of risks and adverse impacts. It should flow from the site's broader stakeholder engagement process and business integrity principles and integrate the various elements of engagement. Having a good stakeholder engagement process in place can help prevent grievances from arising or from escalating to a level that can harm the site's performance. As the Requirement says, the grievance mechanism has to be accessible to all stakeholders. Where a stakeholder goes to the trouble of accessing and utilising one of the site's official grievance mechanism channels, their concern is worth consideration by the site. This means that the grievance mechanism has to cover all grievances submitted via the site's official channels. However, sites are not expected to respond to each and every negative post they receive via social media. Where a well-functioning community-based grievance mechanism exists, the site may build on that for its own purposes.  Sites should consult the United Nations Guiding Principles on Business and Human Rights for the design of a grievance mechanism. Legitimate processes for remediation should be in line with the UN Guiding Principles.  The following guidelines might also be useful for sites: ISO 10002:2018 Quality management - Customer satisfaction -- Guidelines for complaints handling in organizations. |

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| Criterion 6.3: Communicating to the public The site communicates on material social and environmental issues in a consistent and balanced manner, using methods that are appropriate to its stakeholders. |
| 6.3.1. In consultation with stakeholders, the site has identified which social and environmental topics are material to them.  6.3.2. The site collects information on material topics and verifies the accuracy of that information in line with a documented process.  6.3.3. The site:   1. Regularly makes information on material topics available to the public at no cost and at intervals that are frequent and timely enough for stakeholders to act on the provided information; 2. Uses communication methods that are easily accessible to the public and that reflect prevailing cultural habits; 3. Includes positive and negative aspects of site performance, where relevant, in its communication; 4. Includes actions the site has taken or plans to take with respect to the identified material topics; 5. Ensures comparability of information between reporting cycles; |
| Note that some Principles of the ResponsibleSteel Standard contain specific reporting Requirements that are in addition to the generic Requirements outlines above.  **Guidance:**  Reporting should be sufficiently detailed for stakeholders to understand the site's performance and should be done in a manner that is easy to understand, even for individuals with no technical knowledge of the subject at hand.  **Easily accessible:** For example, in areas with widely available internet access, online reporting is appropriate. In areas where this is not the case, more suitable forms of communication should be chosen. Sites should consider whether their forms of communication might disadvantage certain groups and ensure that these groups can access their information as well.  Sites should consult recognised reporting frameworks provided by the **Global Reporting Initiative** (GRI), the **International Integrated Reporting Council** (IIRC) and others to understand what and how to communicate.  **Recommended topics for reporting:** The following is a list of topics that sites should consider covering in their public reporting.  In relation to Principle 1 and 2:   * Code of ethical conduct or similar * Corruption incidents and how they were addressed * The site's political engagement activities; * The total monetary value of political contributions made directly and indirectly, as well as recipients and beneficiaries of contributions; * The site's main social, environmental and governance risks and adverse impacts, associated key performance indicators and the site's performance in relation to these; * Status of implementing the site's responsible sourcing commitment; * Non-compliance incidents and how they were addressed; * Competence management activities.   In relation to Principle 3:   * Incidents of work-related injury, illness or death; * OH&S objectives and targets; * Performance in relation to OH&S leading and lagging indicators.   In relation to Principle 4:   * Incidents related to child labour, forced or compulsory labour or human trafficking and how they were addressed; * Incidents of discrimination and how they were addressed.   In relation to Principle 5:   * Adverse human rights impacts and how they were addressed; * Incidents in relation to non-state armed groups.   In relation to Principle 6:   * Activities related to the implementation of the stakeholder engagement plan; * Number and types of received grievances, the proportion of grievances that have been resolved to the complainant’s satisfaction; * Remedy processes the site is engaged in, including the nature of the complaints, the channels used to address them and the forms of remedy provided.   In relation to Principle 7:   * Measures to support community well-being; * Outcomes of any FPIC processes; * Where relevant, displacement and resettlement activities and provided compensation, as well as the results of completion audits of any Resettlement Action Plan and/or Livelihood Restoration Plan; * Where relevant, impacts on cultural heritage and how they were addressed.   In relation to Principle 8:   * Principle 8 contains specific reporting Requirements that sites have to meet.   In relation to Principle 9:   * NOx, SOx, ducted dust and any other emissions with adverse impacts; * Spills and leakage incidents and actions taken to mitigate and remedy them; * Actions taken to reduce emissions; * Progress or lack thereof in achieving emission reduction targets.   In relation to Principle 10:   * Impacts of the site's water use; * Quality of water discharge volumes by discharge point; * Progress or lack thereof in achieving water-related targets.   In relation to Principle 11:  Where they occur in the site's area of influence:   * Protected and community-conserved areas; * Ramsar sites; * Species on the IUCN Red List of Threatened Species (categorised as vulnerable, endangered or critically endangered); * Key Biodiversity Areas; * Natural and critical habitat, modified habitat with significant biodiversity value; * Outcomes of activities to manage the site's biodiversity and ecosystem services impacts; * Results of biodiversity monitoring.   In relation to Principle 12:   * Where relevant, planned or ongoing closure and decommissioning activities; * Progress or lack thereof in implementing any closure and decommissioning plans. |

## Principle 7. Local Communities

##### **Objective:**

##### ResponsibleSteel certified sites respect the rights and interests of local communities, avoid and minimise adverse impact and support community well-being.

##### **Background:**

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

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

Community issues are also considered under the following Principles:

* Stakeholder Engagement and Communication
* Occupational Health and Safety (Emergency Preparedness and Response, in particular)
* Human Rights.

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

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| Criterion 7.1: Commitment to local communities The site is committed to respecting the health and safety, and the legal and customary rights and interests of local communities and supports their social and economic well-being. |
| 7.1.1. The site has a public commitment to:   1. Safeguard the legal and customary rights and interests, cultures, customs and values of local communities regarding lands, their use of natural resources and their livelihoods; 2. Maintain or improve the social and economic well-being of local communities affected by the site's operations.   7.1.2. In consultation with local community and local government representatives, the site has developed a plan to implement its commitment to maintaining or improving the social and economic well-being of local communities. The plan:   1. Outlines individual measures that the site's management will take or support; 2. Contains implementation timelines and the resources that will be made available for implementation; 3. Explains how the support will contribute to the self-sustainment of the institutions, initiatives or projects receiving the support; 4. Shows that consideration has been given to marginalised community members; 5. Is made public in a clear and understandable manner, using channels that are easily accessible for local communities.   7.1.3. Together with local community and local government representatives, implementation of the plan is monitored and the plan is adjusted where needed to ensure it supports the social and economic well-being of the local communities affected by the site's operations. |
| **Guidance:**  Note that Requirements 6.1.2. and 6.1.3 of Principle 6 (understanding the interests and concerns of stakeholders and identifying engagement methods) should inform how sites address Criterion 7.1.  **Local communities:** Indigenous peoples are part of local communities. Consequently, this Principle includes consideration of indigenous peoples where they are affected by the site's activities, even if they are not singled out in the wording of the Requirements. The term “indigenous peoples” is understood as described in Article 1 of ILO Convention 169.  **Marginalised community members:** People can be marginalised in many ways, with marginalisation embracing factors such as material deprivation, inadequate housing, low educational levels, high unemployment, poor health as well as discrimination and prejudice (Adapted from European Commission Briefing 'Cohesion policy and marginalised communities').  **Plan for maintaining or improving community well-being**: The plan is expected to be proportionate to the specific context. In communities that are highly developed and affluent, the plan might be less comprehensive or might be bound to specific events such as changes in production or permit processes.  Examples of measures (7.1.2.a.) are:   * Local procurement, local business and local employment creation and support, as well as local capacity building and skills development; * Financial or in-kind contributions, time or human resources support to local social service institutions (e.g. hospitals, schools, vocational centres) or to social, cultural, sports or environmental projects and activities; * Help in building community capacity to oversee and sustain projects or initiatives with the aim of making them self-sustaining.   Measures to maintain or improve the social and economic well-being of local communities should focus on enabling communities in the long-term rather than creating dependency on financial contributions by the site.  **Resources for implementation**: Note that these might be come from the site and from other parties such as the (local) government. The resources might be financial and other kinds of resources such as human resources, material, etc. |

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| Criterion 7.2: Free, Prior and Informed Consent (FPIC) Where the site considers activities that might affect the rights of indigenous peoples, the site obtains the peoples’ free and informed consent prior to undertaking such activities. |
| 7.2.1. Where new activities or changes to existing activities are planned, the site and affected indigenous peoples agree and document a process for obtaining FPIC that is consistent with the indigenous peoples’ traditional decision-making processes while respecting internationally recognised human rights.  7.2.2. The site achieves FPIC prior to the approval of new activities or changes to existing activities that might affect the lands, natural resources or cultural heritage that are subject to traditional ownership or under customary use by indigenous peoples.  7.2.3. The outcomes of the negotiations and any agreements reached between the site and the affected indigenous peoples are documented and approved by the parties as outlined in the FPIC process and are made accessible to the members of the affected indigenous peoples. |

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| **Guidance:**  The Criterion on Free, Prior and Informed Consent applies to indigenous peoples, whether they are formally recognised as such or self-declared.  **Free, prior, informed:**   * Free implies that there is no coercion, intimidation or manipulation. * Prior implies that consent is to be sought sufficiently in advance of any authorisation or commencement of activities and respect is shown to time requirements of indigenous consultation/consensus processes. * Informed implies that information is provided that covers a range of aspects, including the nature, size, pace, reversibility and scope of any proposed project or activity; the purpose of the project as well as its duration; locality and areas affected; a preliminary assessment of the likely economic, social, cultural and environmental adverse impact, including potential risks; personnel likely to be involved in the execution of the project; and procedures the project may entail. This process may include the option of withholding consent. Consultation and participation are crucial components of a consent process.   (Adopted from Office of the United Nations High Commissioner for Human Rights)  **The site achieves FPIC** prior to the approval of new activities or changes to existing activities:Given the diversity of situations and contexts there is no simple or universal way of carrying out an FPIC process. A lot of guidance has been developed on FPIC that may help sites apply the FPIC concept. For example, the FAO Manual 'Free Prior and Informed Consent. An indigenous peoples’ right and a good practice for local communities'. Not all indigenous communities might want to attach an FPIC 'label' to the process and to the agreement they reach with a site. Where this is the case, it is still crucial that the process and agreements were undertaken and reached in a free, prior and informed manner as described above.Note thatFPIC does not necessarily require unanimity and may be achieved even when individuals or groups within the community explicitly disagree.  Where FPIC was not obtained in the past, sites must demonstrate that they are operating in a manner that seeks to achieve the objectives of this Criterion. For example, sites may demonstrate that they have the free and informed consent of indigenous peoples for current operations by providing evidence of signed or otherwise verified agreements, or, in the absence of agreements, demonstrate that they have a process in place to respond to past and present concerns by indigenous peoples and to remedy and/or compensate for past impacts on indigenous peoples’ rights and interests. In alignment with this Criterion, such processes should have been agreed to by indigenous peoples and evidence should be provided that agreements are being fully implemented by the site.  This Criterion is not intended to reduce the primary responsibility of a State to consult with indigenous peoples in order to obtain their FPIC and protect their rights. However, in the absence of national laws, or in the exercise of their right to self-determination, some indigenous peoples may wish to engage with a site without State involvement.  Where national FPIC laws exist, the site shall abide by those laws. Where a State has established a legislative framework that requires or enables agreements between companies and indigenous communities, it may not be necessary for a site to run a parallel FPIC process based on this Criterion. It would, however, be necessary for a site to demonstrate to ResponsibleSteel auditors that the process whereby the agreement was reached conformed with the ResponsibleSteel FPIC requirements and met the general intent of the FPIC Criterion. |

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| Criterion 7.3: Cultural heritage The site respects and safeguards cultural heritage within its area of influence. |
| 7.3.1. The site has a documented procedure for identifying and dealing with cultural heritage sites and values in its area of influence that:   1. Has been developed in consultation with affected communities; 2. Follows the mitigation hierarchy of avoiding, minimising, restoring and offsetting adverse impacts from the site's activities; 3. Ensures continued access rights for affected communities to cultural sites or values.   7.3.2. The procedure is implemented in a collaborative effort by the site and affected communities.  7.3.3. Where critical cultural heritage exists in the site's area of influence, the site does not remove, significantly alter or damage it or instruct another party to do so, unless the affected communities request its removal for the purpose of protection and preservation.  7.3.4. Where cultural heritage sites or values of indigenous peoples may be impacted, the site applies the FPIC process (see Criterion 7.2).  7.3.5. Where impact on cultural heritage occurs, the effectiveness of mitigation measures is monitored and actions to address any issues are defined and implemented by the site in cooperation with affected communities. |
| **Guidance:**  'Cultural heritage' should be understood as defined by the Environmental and Social Performance Standards of the International Finance Corporation (IFC).  **Cultural heritage** refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.  **Critical cultural heritage** consists of one or both of the following types of cultural heritage: (i) the internationally recognised heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.  The Requirements of this Criterion apply to cultural heritage regardless of whether or not it has been legally protected or previously disturbed. (Adopted fromIFC Performance Standard 8, IFC Performance Standards on Environmental and Social Sustainability) |

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| Criterion 7.4: Displacement and Resettlement The site strives to avoid the need for displacement or resettlement but, where unavoidable, minimises its scope and the resulting adverse impacts. |
| 7.4.1. Where physical and economic displacement of communities is being considered, the site develops a procedure to:   1. Identify and assess the risks and potential adverse impacts of that displacement on affected community members; 2. Consider alternative operational set-ups to avoid or minimise physical and economic displacement; 3. Include affected communities in the process, paying particular attention to marginalised community members.   7.4.2. When physical displacement is unavoidable, the site develops a Resettlement and Compensation Action Plan in consultation with the affected communities.  7.4.3. When economic displacement is unavoidable, the site develops a Livelihood Restoration Plan in consultation with the affected communities.  7.4.4. The site applies the compensation standards outlined in the Resettlement and Compensation Action Plan and in the Livelihood Restoration Plan consistently to all affected community members and ensures that compensation is completed by the time of the displacement.  7.4.5. When indigenous peoples are involved, the site applies the FPIC process (see Criterion 7.2).  7.4.6. The site monitors implementation of the Resettlement and Compensation Action Plan and the Livelihood Restoration Plan together with affected communities. Where necessary, the site modifies Plan implementation to ensure that livelihoods, livelihood security and living standards are improved or restored.  7.4.7. The site commissions a competent third party to conduct a completion audit of the Resettlement Action Plan and Livelihood Restoration Plan to verify that mitigation measures have been adequately implemented and communicates the audit results to the public. |

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| **Guidance:**  **Resettlement and Compensation Action Plan and Livelihood Restoration Plan**: These are to be developed in line with the IFC Performance Standard 5.  Note that the Requirements of Criterion 7.4 apply to Displacement and Resettlement being considered or taking place in the ten years prior to applying for ResponsibleSteel certification. Where displacement and/or resettlement occurred earlier than that, the site is not expected to meet all the Requirements of this Criterion. However, where this is the case, the site must have undertaken an evaluation of the outcomes of displacement and resettlement activities and, if necessary, take steps to restore or improve the living conditions and livelihoods of those affected.  Existing sites will usually not lead to physical displacement, so this Criterion may only be partially relevant or may not be relevant at all. Note that Principle 12 covers site Closure and Decommissioning, which may be related to economic displacement covered here under Principle 7. |

## Principle 8. Climate Change and Greenhouse Gas Emissions

**Objective:**

The corporate owners of ResponsibleSteel certified sites are committed to the global goals of the Paris Agreement, and both certified sites and their corporate owners are taking the actions needed to demonstrate this commitment.

**Background:**

The United Nations refers to climate change caused by man-made emissions of greenhouse gases as the defining issue of our time, and its Sustainable Development Goal 13 urges countries to take urgent action to combat climate change and its impacts.

Tackling climate change requires an unprecedented effort from all sectors of society. The steel industry, responsible for between 7% and 9% of direct greenhouse gas emissions from the global use of fossil fuel[[3]](#footnote-3), has a critical role and responsibility both in relation to the reduction of emissions associated with steelmaking, and in the supply of the materials that will be needed to achieve the transition to a zero carbon economy.

The ResponsibleSteel Standard’s Requirements are written to support the Paris Agreement of the parties to the United Nations Framework Convention on Climate Change, which recognises the need for an effective and progressive response to the urgent threat of climate change on the basis of the best available scientific knowledge, and aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

1. Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;
2. Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
3. Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

The Standard requires that companies that wish to benefit from ResponsibleSteel certification of their sites must be able to demonstrate, at the corporate owner level, that they are committed to the goals of the Paris   
  
Agreement. The Standard recognises that the public policy environment is critically important to steelmakers’ ability to implement change, and requires that companies identify and then engage to achieve the necessary policy changes. In line with the Paris Agreement’s reference to financial flows and climate-resilient development, the Standard requires that such companies implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

At the site level, the Standard requires that greenhouse gas emissions are measured, reported and disclosed, and that site-level targets for greenhouse gas emissions have been developed and are in line with corporate owner level goals.

This ResponsibleSteel Standard does not attempt to apply a full life cycle approach. It does not, for example, consider the implications of the use of alloys or coatings that would limit or extend the lifetime of a steel product, or design aspects that would make it harder or easier to re-use or recycle steel products. Nor does the Standard consider downstream ‘in use’ greenhouse gas emissions. ResponsibleSteel acknowledges the importance of these aspects, but considers that they should be addressed through complementary standards and tools. ResponsibleSteel is committed to supporting the development and use of complementary standards and tools in the future, in line with its mission to enhance the responsible sourcing, production, use and recycling of steel.

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| Criterion 8.1: Corporate commitment to achieve the goals of the Paris Agreement The site’s corporate owner has defined and is implementing a long- and medium-term strategy to reduce its greenhouse gas (GHG) emissions to levels that are compatible with the achievement of the goals of the Paris Agreement, with an aspiration to achieve net-zero GHG emissions through work with policy makers and others. |
| 8.1.1. The site’s corporate owner ascribes publicly to a credible, long-term emissions reduction pathway for the steel industry as a whole that is compatible with the achievement of the goals of the Paris Agreement, and which includes:   1. Explicit projections of long-term steel consumption; 2. Explicit projections for the production and use of primary as well as recycled steel, and the associated GHG emissions; and 3. Explicit assumptions in relation to the public policy and other key conditions on which it is based.   8.1.2. The site’s corporate owner has defined and made public both a long-term emissions reduction pathway and a medium-term, quantitative, science-based GHG emissions target or set of targets for the corporation as a whole. The corporation's emissions reduction pathway and medium-term target(s) are compatible with the long-term emissions reduction pathway it ascribes to for the steel industry, and the projections for the production of primary as well as recycled steel as applicable to its own portfolio of sites.  8.1.3. The site’s corporate owner has a credible, documented strategy for the achievement of its corporate level GHG emissions target(s), outlining the timeline for change across its portfolio of sites and identifying the conditions that would need to be in place for the successful implementation of the strategy, and the specific actions, including policy engagement, it is committed to take to help bring these conditions about.  8.1.4 The corporate owner reviews the implementation of its strategy on a regular basis, documents the findings of the review, and updates the strategy to take account of the review’s findings.  8.1.5 The review shows that the corporate owner is implementing its strategy effectively over time. |
| **Guidance:**  (8.1.1) An emissions reduction pathway for the steel industry that is compatible with the goals of the Paris Agreement is one which limits the global average temperature to well below 2°C above pre-industrial levels and supports efforts to limit the temperature increase to 1.5°C above pre-industrial levels.  (8.1.1) Long-term in this context means a time horizon of 15 to 35 years.  (8.1.2) Medium-term in this context means a time horizon between 5 and 15 years from the present time.  (8.1.1, 8.1.2) Medium- or long-term refers to the time measured from the start of the relevant implementation period. For example, a ten-year (medium-term) target set seven years ago is still valid even if it has only three years to run. However, if a medium-term target expires during the period of validity of a certificate, this would create a non-conformity with the Requirement of the Standard unless it is replaced by an updated medium-term target.  (8.1.2) A science-based target (SBT) validated by the SBTi (Science Based Targets initiative) would be sufficient to meet the Requirements of 8.1.2. Other quantitative, scientifically justified targets (or sets of targets, for example for separate processes) may also be recognised, as long as the ambition, quality and coverage of the target is comparable.  (8.1.3) Specific actions may also include investments at the corporate or site levels, building of pilot facilities to develop, test and scale up new technologies, proposition to seek funding through ‘green bonds’, general commitments to upgrade sites over a period of time, etc. |

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| Criterion 8.2: Corporate Climate-Related Financial Disclosure The site’s corporate owner is implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). |
| 8.2.1. The site’s corporate owner has allocated responsibility for oversight of climate-related risk and opportunity to at least one board committee, with an understanding that material climate-related risks and opportunities that impact business strategy will need to be discussed at the full board level.  8.2.2. The site’s corporate owner has a documented commitment in place to implement the core recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) according to its four pillars - Governance, Strategy, Risk Management, and Metrics and Targets - in accordance with applicable TCFD guidance, within three years of the date of application for the site’s certification. |
| **Guidance:**  Task Force on Climate-Related Financial Disclosures (TCFD): [Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017](https://www.fsb-tcfd.org/publications/final-recommendations-report/).  TCFD guidance: [Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017.](https://www.fsb-tcfd.org/wp-content/uploads/2017/12/FINAL-TCFD-Annex-Amended-121517.pdf)  Implementation in accordance with applicable TCFD guidance requires that the corporate owner makes the recommended disclosures associated with the four core recommendations.  The ResponsibleSteel period of certification is three years. Sites owned by corporations which have not implemented the TCFD recommendations within three years of the date on which their first site applied for certification would not be issued with any further certificates. The failure would also jeopardise the maintenance of any other current site certifications of the corporate owner. |

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| Criterion 8.3: Site-level GHG emissions measurement and intensity calculation The site measures and records key aspects of its GHG emissions in accordance with a recognised international or regional standard. |
| 8.3.1. There is a system in place to estimate the total GHG emissions (CO2 e) associated with materials imported to the site from outside the site boundary.  8.3.2. The total direct GHG (CO2 e) or CO2 emissions for the site are measured, recorded and verified in accordance with the requirements of an applicable, recognised international and/or regional standard.  8.3.3. For sites that produce crude steel, the GHG emissions intensity for the crude steel produced (metric tonnes of CO2 e/ metric tonne crude steel) is calculated in accordance with the requirements of an applicable, recognised international and/or regional standard. |
| **Guidance:**  (8.3.1) The system to assess upstream emissions should include a screening of imported materials to identify those that may be associated with significant GHG emissions such as mined materials or hydrogen where relevant.  (8.3.1) As a minimum, the site must consider the GHG emissions associated with the materials listed in ISO 14404-1:2013 Table 2 and other materials that may be associated with significant GHG emissions. A material’s GHG emissions are not considered to be significant if there is evidence that they are likely to constitute less than 5% of the total GHG emissions associated with all of the materials imported to the site from outside the site boundary.  (8.3.1) The estimate may make use of emission factors such as those referenced in ISO14404 or from other secondary sources where no other reliable data are available. Where such secondary data or emission factors are used, these data must be referenced in the public report specified in 8.5.1 below. More resources should be committed to estimating the more significant sources of emissions, for example through the collection of emissions data from suppliers.  (8.3.1 - 8.3.2) In cases where pig iron or steel (other than scrap metal) itself is imported to the site from upstream sites, the associated GHG emissions must be accounted for using primary data specific to the site of production and must not be based on generic or secondary sources of data. The site must ensure that GHG emissions associated with imported pig iron or steel are clearly and explicitly included in the calculations of GHG emissions and are included in the calculation of GHG emissions intensity in 8.3.3.  (8.3.2) ResponsibleSteel currently recognises the following international or regional standards:   * The GHG Protocol and EN 19694 (parts as applicable) for measurement of GHG emissions by steelmaking and other sites. * ISO 14404 (parts as applicable) for the measurement of CO2 emissions by steelmaking sites, as applicable. |

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| Criterion 8.4: Site-level GHG reduction targets and planning There is a medium-term GHG emissions target and plan for the site that is aligned with the achievement of the corporate owner’s corporate level GHG emissions target(s). |
| 8.4.1. There is a time-specific, medium-term target for the GHG emissions for the site or defined portfolio of sites that is at or below the trajectory required for the corporate owner to achieve its medium-term GHG emissions target for all of its sites, as specified under Requirement 8.1.2.  For steelmaking sites, the target is defined in terms of the GHG emissions intensity of crude steel production (metric tonnes of CO2 equivalent/ metric tonne crude steel) calculated in accordance with the international or regional standard as specified in 8.3.3.  8.4.2 There is a time-specific, medium-term target to reduce the net GHG emissions associated with the site’s use of imported electricity, where the GHG emissions associated with the use of imported electricity are significant.  8.4.3. There are plans in place, approved by senior management, to achieve the site’s GHG emissions target(s) within the specified timelines as defined in 8.4.1 and 8.4.2. The plans include:   1. Time-specific milestones for each target from present through to the achievement of the medium-term target levels; 2. Explicit quantification of the site’s reduction of direct GHG (CO2 e) or CO2 emissions required to achieve the target(s) specified under 8.4.1.; 3. Specification of the international or regional standard that will be used to measure progress towards the target, and a description of the elements that are included or excluded from consideration (e.g. whether upstream scope 3 emissions are considered, and how any emissions associated with the site’s products, co-products, by-products or waste are to be taken into account); 4. Consideration of the technology, equipment, management system changes or other options to achieve the targets over time; 5. Consideration of the costs of installing any specified technology or equipment; 6. Consideration of the proposed mechanism for financing the proposed technology or equipment; 7. Consideration of external conditions that will need to be in place for the plan to be successfully implemented, or conditions that might prevent successful implementation.   8.4.4. Progress on the implementation of the plans is monitored and reported to the site’s board or equivalent oversight body on a regular basis, including an explanation of relevant issues such as changes to production in response to market conditions, closures for repairs or other significant factors, and the plans are updated if appropriate.  8.4.5 The medium-term targets for the site or defined portfolio of sites, as specified under Requirements 8.4.1 and 8.4.2 and progress towards achieving these targets are reported publicly and on a regular basis. |
| **Guidance:**  (8.4.1) The site-level target must itself be below the average trajectory required to achieve the corporate owner’s overall corporate level target, OR, if this is not the case, the corporate owner must show that its defined portfolio of sites meets the Requirements of 8.4.1 to 8.4.5, and so demonstrate that in combination its sites are on track to achieve its corporate level target.  (8.4.2) This Requirement could be met, for example, through targets for: the purchase of electricity from low or zero carbon sources, carbon offsets, power purchase agreements, virtual power purchase agreements, or green tariffs paid in relation to the site's sourcing of electricity. GHG reductions achieved through the use of biofuels that do not meet recognised sustainability standards shall not be recognised as contributing to the achievement of the net GHG reduction targets associated with the use of imported electricity. Recognised sustainability standards for biofuels include the voluntary schemes recognised as meeting the sustainability criteria of the European Union’s Renewable Energy Directive (EU) 2018/2001 (see list of approved Voluntary Schemes).  (8.4.2) Where a site introduces a new technology that has a major impact on reducing its direct emissions but results in an increase in the amount of imported electricity, the baseline for reducing net emissions for the imported electricity is set when the new technology is introduced.  (8.4.2) “Imported electricity” means imported from outside the site to the site. GHG emissions associated with imported electricity are considered significant if they represent more than 10% of the site’s total (direct and indirect) GHG emissions.  (8.4.2) Where imported electricity is generated from the use of the site’s own co- or by-products (e.g. process gases) whose GHG emissions have already been accounted for under 8.4.1, the GHG emissions for this imported electricity are considered to be zero for the purpose of calculating net GHG emissions under 8.4.2.  (8.4.2) Where offsets are used the offsets must be consistent with a specified, recognised international or national standard or regulation and must be publicly reported (see 8.5.1). The implication is that sites would have broad freedom to select their own approach to reducing net GHG emissions, and deciding what level of verification might be required to support their approach, so long as the approach is consistent with a recognised standard. Examples of recognised standards include:   * ART-TREES Standard, operational from 2020 under the emergent Forest Finance Facility; * The National Carbon Offset Standard in Australia   (8.4.2) Low-carbon energy procurement must be consistent with a specified, recognised international or national standard or regulation and must be publicly reported (see 8.5.1). Examples of recognised standards include:   * The quality criteria set in the GHG Protocol Scope 2 guidance; * The RE100 credible claims guidance.   (8.4.3) The content of the site’s plans are considered to be commercially confidential and shall not be disclosed by ResponsibleSteel or any auditors acting to verify compliance with the Requirements of the ResponsibleSteel Standard. The specified medium- to long-term targets and progress towards their achievement would, however, be reported.  (8.4.1, 8.4.2) The medium-term plan should cover activities planned for the following 5 to 15 years, in accordance with the site’s financial and operational planning cycle. Longer term planning is also compatible with this guidance, so long as the time-specific milestones provide for effective monitoring in the medium term. |

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| Criterion 8.5: Site-level GHG or CO2 emissions reporting and disclosure Key aspects of the site’s GHG or CO2 emissions measurements are publicly reported on an annual basis. |
| 8.5.1. The following information is publicly reported on an annual basis for the site or defined portfolio of sites, as specified under Requirements 8.4.1 and 8.4.2:   1. Estimate of the aggregated GHG emissions (CO2 e) for materials imported to the site from outside the site boundary, and an explanation of the basis for the estimate; 2. The GHG emissions (CO2 e) for heat and steam imported to the site(s) from outside the site boundary; 3. The total GHG emissions associated with the use of electricity imported to the site(s); 4. Any arrangements to offset the GHG emissions of the site(s), including a description of the amount and nature of such offsets; 5. Any CO2 or GHG (CO2 e) emissions that are considered to be ‘credit emissions’ for the site(s); 6. The total GHG (CO2 e) or CO2 emissions of the site(s) calculated in accordance with the Requirements of Criterion 8.3. 7. The total GHG emissions intensity of the crude steel produced at the site(s) (metric tonnes of CO2 e/ metric tonne crude steel), as determined in Criterion 8.3. 8. The basis for the GHG emissions intensity measurement of the site(s), including:  * The international or regional standard(s) used; * An explanation of variations in figures reported using different measurement standards if more than one standard has been used by the site and different figures have been reported for different purposes; * An explanation of whether the reported figure for emissions intensity includes or excludes GHG emissions associated with raw materials imported to the site(s) from outside the site boundary; * An explanation for the combination of GHG emissions measurements and CO2 emissions measurements, where applicable. |
| **Guidance:**  (8.5.1) Recommended best practice is that GHG emissions should be publicly disclosed for each certified site.  (8.5.1.a) The reporting of GHG emissions associated with the materials imported to the site(s) from outside the site boundary must include an explanation of the basis for the calculation, including the use of emission factors or other secondary data where used. The Requirement specifies that reporting is for the aggregated GHG emissions for raw materials, but the determination of this figure will necessarily require that data for the emissions associated with specific types (and, potentially, separate supplies) of raw material has been used to carry out the calculation.  The figure for aggregated GHG emissions of raw material should specify what materials have been included and excluded from the calculation.  (8.5.1.c) The total GHG emissions associated with use of imported electricity by the site(s) will be the product of the amount of imported electricity multiplied by its carbon intensity. The basis for the calculation will be reviewed by the auditing body, but for reasons of commercial confidentiality only the total GHG emissions need to be reported publicly.  (8.5.1.d) Reporting should include, for example, a description of the purchase of carbon offsets (including the source and quantity), power purchase agreements, virtual power purchase agreements, or green tariffs the site pays in relation to its sourcing of electricity.  This Standard does not specify Requirements in relation to the quality or verification of claimed offsets, but is intended to create a public record of such claims, as well as to provide an opportunity for certified sites to communicate their initiatives in this regard. |

**NOTE**

Criterion 8.6 on claims related to GHG emissions performance for the production of crude steel has been deleted from this edition of the ResponsibleSteel Standard and will be considered again as part of the Requirements for making claims about the steel produced at a certified site, with the Requirements to be finalised in 2020.

## Principle 9. Noise, Emissions, Effluents and Waste

**Objective:**

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

**Background:**

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

The ResponsibleSteel Standard takes the following approach to noise and vibration and air emissions: commit, monitor, reduce where needed, track and verify performance. A similar approach is applied to spills and leakage. The waste and production residues Criterion applies ‘Life Cycle Thinking’ and the application of the Waste Management Hierarchy. The intent is to find the most appropriate waste management option, making sure that waste is avoided or recovered where reasonably possible, and disposed of in a responsible manner. The responsibility here extends to third parties that handle waste on behalf of the site. The Standard also requires that companies work to phase out the practice of long-term waste and production residues storage, which can pose significant risks to humans and the environment.

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

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

The Occupational Health and Safety Principle of the ResponsibleSteel Standard covers worker exposure to noise and contains a Criterion for Emergency Preparedness and Response, which is why Requirements related to worker exposure to noise and emergencies are not covered here.

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| Criterion 9.1: Noise and vibration The site implements plans to prevent and reduce adverse impacts from noise and vibration on communities or the environment. |
| 9.1.1. The site is committed to prevent and continually reduce noise and vibration.  9.1.2. The site has an ongoing monitoring programme that covers facilities and plants owned or fully or partly controlled by the site and that establishes baseline values that allow the identification of changes to noise and vibration levels.  9.1.3. The site:   * 1. Reviews its methods of operation and maintenance and identifies potential opportunities to prevent or reduce noise and vibration;   2. Analyses the feasibility of the identified opportunities and provides a clear rationale for why prevention and reduction opportunities are taken or not;   9.1.4. Based on its analyses in 9.1.3.b, the site defines target levels and time-bound action plans to prevent and reduce noise and vibration.  9.1.5. The site tracks its performance against the noise and vibration action plans. Where progress in achieving the targeted noise and vibration levels is lacking, the site revises and amends its reduction plans.  9.1.6. The effectiveness of the site's noise and vibration reduction plans is regularly verified by a competent party. Where the site has been the subject of controversy in relation to noise and vibration, it implements a mitigation plan. The effectiveness of the plan is verified by a competent third party. |
| **Guidance:**  **Baseline (9.1.2):** This refers to a baseline under business as usual circumstances.  **Potential opportunities** **to prevent or reduce noise and vibration:** Sites are expected to identify opportunities and define targets beyond regulatory requirements. Opportunities may include technological adjustments or investments, changes of practice, or other approaches. Sites should identify and consider relevant guidance such as the European Union Best Available Techniques (BAT) conclusions for iron and steel production or the IFC Environmental, Health, and Safety (EHS) Guidelines, General EHS Guidelines, Environmental, Noise Management. Note that the IFC guidelines address noise beyond the property boundary of facilities.  **Interpretation on 9.1:**  ResponsibleSteel understands that vibration related to steel sites and their operations might not pose an issue to communities.  Sites are expected to document how they have considered potential adverse impacts of machinery-related and groundborne vibration on communities. Assuming no adverse impacts have been identified or have been raised as issues by stakeholders or regulators, sites might be able to justify why they provide a minimal response to requirements 9.1.1. to 9.1.6 in relation to vibration.  Sites are expected to address the potential health and safety impacts of machine vibration on workers though.  Ultimately, auditors must be satisfied that the intent of Criterion 9.1 in relation to vibration is met.  **Applicability to office and other administrative buildings**: The Criteria in the Noise, Emissions, Effluents and Waste Principle are not applicable to office and other administrative buildings of a site since their impacts related to the Criteria in this Principle can be considered non-material. |

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| Criterion 9.2: Emissions to air The site implements plans to prevent and reduce emissions to air that have adverse impacts on communities or the environment. |
| 9.2.1. The site is committed to prevent and continually reduce adverse emissions to air.  9.2.2. For emissions to air with adverse impacts on communities or the environment, the site has an ongoing programme or is taking part in a regional programme that monitors its point source emissions from facilities and plants owned or fully or partly controlled by the site and that establishes baseline values that allow the identification of changes to air emission levels.  9.2.3. The site:   1. Reviews its methods of operation and maintenance and identifies potential opportunities to prevent or reduce point-source, diffuse and fugitive adverse emissions to air; 2. Analyses the feasibility of the identified opportunities and provides a clear rationale for why prevention and reduction opportunities are taken or not;   9.2.4. Based on its analyses in 9.2.3.b, the site:   1. Defines target levels and time-bound plans to prevent and reduce point-source adverse emissions to air; 2. Implements measures to prevent and reduce diffuse and fugitive adverse emissions to air.   9.2.5. The site tracks its performance against the air emissions reduction plans. Where progress in achieving the targeted air emissions levels is lacking, the site revises and amends its reduction plans.  9.2.6. The effectiveness of the site's air emissions reduction plans is regularly verified by a competent party. Where the site has been the subject of controversy in relation to air emissions, it implements a mitigation plan. The effectiveness of the plan is verified by a competent third party. |
| **Guidance:**  **Adverse emissions to air:** This refers to the emissions identified in the European Union's (EU) Air Quality Standards as being known to have adverse impacts. Sites are required to measure and monitor these emissions where they occur as a result of the site's activities. Note that only the listed pollutants must be monitored. The concentrations given in the table are not applicable since they apply to ambient air.  Note that monitoring adverse emissions to air from fugitive and diffuse sources is acknowledged to be challenging. The effort that would have to be put into an effective monitoring system is considered to outweigh the benefits of monitoring. For this reason, ResponsibleSteel does not require sites to monitor fugitive and diffuse adverse emissions. However, sites must demonstrate real effort in preventing and reducing these emissions as they affect local communities and are often not covered well by permits.  **Diffuse and fugitive emissions**: These occur, for example, in the handling of materials, storage, conveying, charging, coking, pushing, quenching and grinding. They also include drifts from piles, slag heaps and other surfaces, turbulence caused by traffic, emissions from roofs and openings in building. Diffuse and fugitive emissions can be solid, liquid or gaseous and are caused, in particular, by leaks of open processes, displacement losses and diffusion and evaporation processes.  Reduction of diffuse and fugitive emissions can be achieved through structural and operational measures such as the enclosing of selected plant components, covering stockpiles, installing windbreaks or the regular cleaning of driveways.  Emissions of dust (including PM10 and PM 2.5) can be prevented by, for example:   * Minimising charging emissions (e.g. smokeless charging or sequential charging) * Sealing of openings * Minimising leakage * De-dusting * Fabric filters * Electrostatic precipitator * General good maintenance |

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| Criterion 9.3: Spills and leakage The site works to effectively prevent, detect, mitigate and remedy spills and leakage that cause harm to communities or the environment. |
| 9.3.1. The site implements a preventive maintenance programme aimed at preventing spills and leakage. The programme includes:   1. Identification of structures, equipment and systems to which the programme applies; 2. Regular inspections of identified structures, equipment and systems; 3. Regular testing of such structures, equipment and systems; 4. The definition of corrective and preventive action where necessary to ensure structures, equipment and systems are in proper working order; 5. Keeping of preventive maintenance records.   9.3.2. The site has documented procedures for managing the impacts from spills and leakage. The procedures define:   1. How the impact from spills and leakage is to be analysed and assessed; 2. How mitigation and remediation of impacts from spills and leakage will be managed; 3. How mitigation and remediation progress is quantified where spill or leakage occurred.   9.3.3. The effectiveness of the site's prevention programme and management procedures for spills and leakage is regularly verified by a competent party. Where the site has been the subject of controversy in relation to spills and leakage, it implements a mitigation plan. The effectiveness of the plan is verified by a competent third party. |
| **Guidance:**  **Spill:** Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water (adopted from Global Reporting Initiative (GRI) Standards Glossary, 2016)  **Leakage:** Process in which material is lost through holes or defects. |

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| Criterion 9.4: Waste, by-product and production residue management The site applies the waste management hierarchy to reduce its impacts from waste and residues and takes account of full life cycle impacts to find the waste management option with the least environmental impact. |
| 9.4.1. The site implements a waste and production residues management plan that applies the waste management hierarchy informed by Life Cycle Thinking (LCT) to reduce adverse impacts from waste, by-products and production residues on humans and the environment. As part of its waste management strategy, the site:   1. Characterises accruing waste and production residues to identify their potential for waste avoidance and recovery, as well the disposal routes that pose the least risk and impact to humans and the environment for each type of accruing waste and production residue; 2. Outlines measures for avoiding and mitigating risks and impacts from generation, storage, handling, treatment, transportation and disposal of the different types of accruing waste and production residues; 3. Defines targets and time-bound plans to reduce the amount of waste that is landfilled on-site or off-site; 4. Applies a policy that prohibits the discharge of production residues to riverine, submarine and lake environments. Only where riverine, submarine and lake discharge is socially and environmentally the best option, does the policy grant an exception. These exceptional circumstances are documented and reasoned.   9.4.2. The site addresses risks and impacts on humans and the environment associated with the off-site movement and transportation of its accrued waste and production residues. Where the site contracts third parties to conduct these activities on the site's behalf, the site takes action to ensure that risks and impacts on humans and the environment are addressed.  9.4.3. When third parties conduct hazardous waste and production residues storage, transportation and disposal on behalf of the site, the site requires chain of custody and ownership documentation to the final destination.  9.4.4. Any on-site or off-site storage areas that the site uses:   * 1. Effectively prevent the release of production residues and leachates to the environment, considering potentially catastrophic events such as floods and earthquakes;   2. Are routinely checked and controlled by competent parties to ensure their integrity.   9.4.5. Where the site practices waste and production residues storage, it has established a timeline and a roadmap to phase this out in the mid-term.  9.4.6. The site tracks its performance on managing waste and production residues and has evidence of effective strategy implementation.  9.4.7. Effective implementation of the site's waste and residues management plan is regularly verified by a competent party. Where the site has been the subject of controversy in relation to waste and production residues, it implements a mitigation plan. The effectiveness of the plan is verified by a competent third party. |
| **Guidance:**  **Hazardous and non-hazardous waste:** These may be differentiated using national legislation, the European Union's 'List of Waste' or the US EPA Resource Conservation and Recovery Act (RCRA) Regulations. For hazardous waste transported by or on behalf of the site, the 'Basel Convention' shall be used.  **Characterise accruing waste and production residue:** Characterisation should include the source, quantity, hazardous/non-hazardous, production rate, composition, separation, treatment, storage, transport mode and route, destination and method of disposal.  **Measures for improved waste and production residue management:** This includes technical measures, operational, production and management controls.  **Risks associated with off-site movement and transportation of waste and production residues:** These may stem from routes taken, proximity to populated areas, use of sealed containers, regulation regarding transportation of hazardous materials.  **Cyanide:** In blast furnaces, small amounts of cyanides are produced. The oxides, carbonates and silicates of the alkali metals contained in the coke and the acid additives are reduced and evaporated in the blast furnace. Sodium and potassium vapour react with nitrogen from the injected air and carbon from the coke to form sodium cyanide and potassium cyanide. Where relevant, the site should take account of the International Cyanide Management Code or other relevant best practice to manage cyanide. The International Cyanide Management Code focuses on the safe management of cyanide that is produced, transported and used for the recovery of gold and silver, and on mill tailings and leach solutions. However, the standards of practice described in the Code are applicable to other sectors as well. |

## Principle 10. Water Stewardship

##### **Objective:**

##### ResponsibleSteel certified sites demonstrate good water stewardship.

##### **Background:**

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

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

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

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| Criterion 10.1 Water-related context The site understands the current and future water-related needs and dynamics in its area of influence. |
| 10.1.1. The site’s water-related area of influence is defined, taking account of the site’s operational boundaries, the sources it draws water from, the locations it returns discharges to, and the catchment(s) it affects and relies on. The site’s area of influence is reviewed on a regular basis.  10.1.2. The site contributes to integrated water resource management and policies by engaging in water governance fora. Where these do not exist and where water issues are relevant in the site's area of influence, the site initiates such a forum or engages in other similar platforms.  10.1.3. The site works with relevant stakeholders in its area of influence to identify and understand current and potential future uses of water and shared water challenges of the catchment area. The analysis is updated on a regular basis and considers:   1. Seasonal and temporal variability in quantity and quality of surface and subsurface waters; 2. Climate change projections; 3. Anticipated population growth; 4. Natural and built water-related infrastructure; 5. The presence and location of scarce or stressed water sources. |
| **Understanding shared water challenges and risk:** The following tools might be useful for sites:   * 'Aqueduct' of the World Resources Institute * WWF's 'Water Risk Filter' * 'India Water Tool' developed and maintained by a coalition of companies and organisations   An introductory webinar organised by the World Business Council for Sustainable Development (WBCSD) explains what these tools offer and how they differ. A report on these tools is scheduled for publication in late 2019 and will be available at https://waterriskfilter.panda.org/en/Explore/WaterRiskReports.  NOTE: The Alliance for Water Stewardship's standard and guidance are recommended resources for sites to become familiar with and apply the concept of water stewardship. |

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| Criterion 10.2 Water balance and emissions The site measures the flow of water in and out of its site and the quality of its water withdrawals and discharges. |
| 10.2.1. The locations of the water sources and ultimate water sources that the site draws water from and the locations of the water bodies and ultimate water bodies to which the site returns its discharges are recorded and updated as needed.  10.2.2. The site maintains a water balance for its site and calculates its efficiency of water use.  10.2.3. The site monitors and keeps records of water emissions. Sampling of water:   1. Is sufficiently frequent to detect and allow management to respond effectively to significant changes; 2. Is timed so that it takes account of seasonal fluctuations, storm and extreme events that may cause changes in water characteristics; 3. Always occurs at the same specified points upstream of its water sources and downstream of a wastewater discharge point; 4. Considers relevant physical, chemical and biological aspects of water quality; 5. Establishes thresholds aimed at providing early warning of negative changes in water characteristics.   10.2.4. In the absence of applicable regulatory standards, the site adopts and makes publicly available specific water quality objectives for the site, that have been established using credible methodologies and that are in line with prevailing water quality standards. |
| **Guidance:**  **Credible methodologies** **or prevailing water quality standards**: Examples are the AWS International Water Stewardship Standard, Version 2.0, or the United States Environmental Protection Agency (US EPA) National Recommended Water Quality Criteria. |

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| Criterion 10.3 Water-related adverse impact The site evaluates its-water related adverse impacts on the local environment and communities. |
| 10.3.1. The site has identified and assessed its current and potential future water-related environmental and social adverse impacts. The assessment:   1. Considers the quantity of water use and quality of water discharges; 2. Considers extreme events such as flooding or drought; 3. Takes account of the views of stakeholders; 4. Is updated regularly and in the case of significant changes to the site's operations.   10.3.2. The site encourages other commercial water users in its area of influence to conduct their own environmental and social adverse impact assessments.  10.3.3. The site uses its best efforts to combine the findings of its own and other commercial water users’ environmental and social adverse impact assessment to understand cumulative impacts in its area of influence. |
| Guidance:  **Water-related impacts:** The standard of the Water Stewardship Alliance (AWS) and its guidance is a recommended source to consult on water-related impacts. |

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| Criterion 10.4 Managing water issues The site addresses water-related challenges and adverse impacts in its area of influence. |
| 10.4.1. The site integrates water considerations in its business planning.  10.4.2. The site engages stakeholders in its area of influence in the development and maintenance of a water stewardship plan. The plan:   1. Sets time-bound targets in relation to water use efficiency and quality that reflect best practice values for the site’s region and type of operation or, where these do not exist, reflect prevailing standards or guidelines; 2. Sets time-bound targets that minimise any adverse impacts on communities or the environment resulting from the discharges of water from the site; 3. Outlines how the site will contribute to addressing shared water challenges of the catchment area; 4. Outlines site measures to relieve any scarce and stressed water sources; 5. Is updated on a regular basis and made available to the public.   10.4.3. There are documented procedures or action plans for the implementation of the water stewardship plan.  10.4.4. The site tracks and documents its performance against the water stewardship plan. Where progress is lacking, the site reviews and adjusts the plan. |
| **Guidance:** N/a |

## Principle 11. Biodiversity

**Objective:**

ResponsibleSteel certified sites protect and conserve biodiversity.

**Background:**

Biodiversity - biological diversity - means the diversity of life in all its forms. The importance of biological diversity to human society is hard to overstate. An estimated 40 per cent of the global economy is based on biological products and processes. However, a recent landmark report by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) concluded that we are facing a global biodiversity crisis with human action being the cause. Biodiversity losses are running at unprecedented levels with up to one million species facing extinction over the next years and decades. Whole ecosystems are in danger and with them the ecosystem services on which we humans depend.

The maintenance of biodiversity is an important and shared responsibility. The ResponsibleSteel Standard requires sites to take stock of what risk and impact they have on biodiversity and to implement a plan to manage these risks and impacts. The Standard also expects sites to respect areas that are protected and conserved under various governance models and to safeguard areas that have been identified as being key for biodiversity. The Standard does not specify explicit Requirements to identify and maintain the benefits of ecosystem services, on the grounds that the site’s impacts on ecosystem services will be addressed through the protection of protected areas and habitats, as well as through the application of the Water Stewardship Principle.

The Principles on Noise, Emissions, Effluents and Waste and on Water Stewardship are closely linked with the Biodiversity Principle as a site's performance in these Principles will indirectly help the site achieve the Requirements of the Biodiversity Principle.

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| Criterion 11.1: Biodiversity commitment and management The site is committed to protecting biodiversity and applies the mitigation hierarchy to manage its biodiversity risks and adverse impacts. |
| 11.1.1. The site has a public commitment to respect protected and conserved areas and to manage adverse impacts on biodiversity in its area of influence effectively and in line with the mitigation hierarchy. The site's commitment includes the points listed in 11.1.2.-11.1.6. below.  11.1.2. The site does not initiate activities or plan associated facilities in or immediately adjacent to the following areas:   1. World Heritage sites; 2. Protected areas of the IUCN protected area management categories I-VI and conservation areas protected under national or local law; 3. Indigenous and community-conserved areas (ICCAs) unless such activities are endorsed with the Free, Prior and Informed consent of the affected peoples and communities; 4. Ramsar sites; 5. Key Biodiversity Areas (KBAs).   11.1.3. In the case of natural habitat, the site does not significantly convert or degrade them, unless all of the following are demonstrated:   1. No other viable alternatives for development on modified habitat exist within the region; 2. Consultation has established the views of stakeholders, including affected communities and indigenous peoples, with respect to the extent of conversion and degradation; 3. Any conversion or degradation is mitigated according to the mitigation hierarchy and designed to achieve no net loss.   11.1.4. In the case of critical habitat, the site does not implement any activities or plan infrastructure, unless all of the following are demonstrated:   1. No other viable alternatives for development on modified or natural habitat that are not critical exist within the region; 2. The activities and infrastructure do not lead to adverse impacts on those biodiversity values that constitute the critical habitat, and on the ecological processes supporting those biodiversity values; 3. The activities do not lead to a net reduction in the global, national or regional population of any critically endangered or endangered species.   11.1.5. In the event of downgrading, downsizing or degazettement of World Heritage Sites, Ramsar sites or protected areas of the IUCN categories I-VI, the site continues its no-go policy;  11.1.6. Where a World Heritage site, Ramsar site or officially protected area is established in, around or adjacent to the area of activity of an existing site, the site ensures that its activities do not lead to adverse impacts on those values for which the World Heritage site, Ramsar site or protected area was designated;  11.1.7. The site has identified and assessed the biodiversity risks and adverse impacts in its area of influence that result from its activities. The assessment has taken account of risks to and adverse impacts on the following:   1. Protected and community-conserved areas and Ramsar sites; 2. Species on the IUCN Red List of Threatened Species, categorised as vulnerable, endangered or critically endangered; 3. Key Biodiversity Areas; 4. Natural and critical habitat, as well as modified habitat with significant biodiversity value;   11.1.8. The site implements a management plan to address biodiversity risks and impacts in its area of influence that result from its activities.  11.1.9. The management plan:   1. Follows the mitigation hierarchy; 2. If residual impacts are expected, the plan aims to achieve no net loss for natural habitat and a net gain for critical habitat; 3. If residual impacts are expected, offsets are developed in line with current best practice; 4. Is responsive to changing conditions and the results of monitoring to take account of the long-term complexities in predicting biodiversity impacts.   11.1.10. The site's biodiversity risks and impacts assessment and the management plan have been verified as being adequate and comprehensive by a competent party.  11.1.11. Where the site has been the subject of controversy, its activities have been verified by a competent independent party as having no adverse impact on World Heritage sites, protected and conserved areas, indigenous and community-conserved areas, Ramsar sites or Key Biodiversity Areas. |
| **Guidance:**  **11.1.2:** Note that the ResponsibleSteel Standard applies to existing sites. This means that sites that were in existence at the time the ResponsibleSteel Standard was approved (05 November 2019) cannot initiate activities or plan associated facilities in or immediately adjacent to areas listed under 11.1.2.  A comprehensive collection of terms and definitions related to biodiversity can be found on https://biodiversitya-z.org/.  The following websites and databases may be helpful for sites:   * The IUCN Red List of Threatened Species * World Database of Key Biodiversity Areas * World Heritage List * Protected Planet (for protected areas) * The IBAT Alliance hosts databases on the IUCN Red List of Threatened Species, Key Biodiversity Areas and Protected Areas, which may assist sites with their biodiversity risk and adverse impact assessment.   **IUCN categories I-VI:** Where countries do not assign management categories to their protected areas, the site does not initiate activities or plan infrastructure that is incompatible with the value for which the respective protected area was designated.  The **biodiversity risks and impacts assessment** should consider:   * Input received from consultation with stakeholders such as authorities, conservation organisations, research institutions, and local communities; * Threats to biodiversity, including habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution; * Direct and indirect impacts on the landscape or seascape where the site operates; * The importance of ecosystem services to the well-being of communities living in the site's area of influence.   'Guidance for Assessing and Managing Biodiversity Impacts and Risks' has been developed by the Inter-American Development Bank. While is was drafted for countries in Latin America and the Caribbean, the principles and actions outlined in the guidance are applicable elsewhere.  **Biodiversity management plan:** There is no standard template for a biodiversity management plan because the issues it needs to address are determined by the location, the biodiversity values at the site, and the nature of the  site's operations. However, a possible structure might be:   * Biodiversity context * Prioritisation of biodiversity features and components * Objectives and targets * Actions * Implementation * Monitoring and surveillance * Budgets and timelines * Reporting   Guidance on how to develop such a plan is offered by the World Business Council for Sustainable Development's (WBCSD) Biodiversity Management Plan (BMP). The guidance was developed for the cement sector but is relevant for others sectors as well.  **Offset best practice**: One example is the IUCN Policy on Biodiversity Offsets. |

## Principle 12. Decommissioning and closure

##### **Objective:**

##### ResponsibleSteel certified sites minimise the adverse social, economic and environmental impacts of full or partial site decommissioning and closure.

##### **Background:**

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

##### This Principle is only applicable to sites where full or partial decommissioning or closure is announced while a site is certified. Compliance would allow such a site to maintain certification while the site is still operational.

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| Criterion 12.1: Decommissioning and closure The site takes provisions to minimise short and long-term social, economic and environmental implications of decommissioning and closure. |
| 12.1.1. When the decommissioning or closure of a site or of parts of a site has been announced, the site consults with workers, affected communities and local authorities on decommissioning, closure and post-closure plans, as applicable.  12.1.2. The decommissioning or closure and post-closure plans are approved by the site's senior management and:   1. Include implementation cost and timeline estimates; 2. Include provisions to mitigate adverse social and economic impacts on workers and local communities affected by site decommissioning or closure; 3. Ensures that ecosystems and habitats are not degraded due to decommissioning and closure; 4. Contain mechanisms for contingency and response planning and implementation.   12.1.3. In the case of closure, the plans:   1. Take account of community preferences; 2. Describe the future use of facilities and infrastructure, where these are known; 3. Include provisions for post-closure monitoring and maintenance of plan implementation.   12.1.4. In the case of decommissioning, the plan describes measures to maintain idle facilities and infrastructure and protect them from risk (see the guidance).  12.1.5. There are financial arrangements in place that:   1. Cover the full cost of implementation of the decommissioning, closure and post-closure plans; 2. Guarantee that the full cost will be covered irrespective of the site's finances at the time of decommissioning or closure; 3. Are approved by the site's senior management and are reviewed by them to ensure their continued adequacy in case of major changes to operations.   12.1.6. A competent third party confirms that the site's decommissioning, closure, post-closure plans, financial assurance arrangements and any revisions thereof are adequate and feasible.  12.1.7. The site makes a summary of its decommissioning, closure and post-closure plans, financial assurance arrangements and any revisions thereof available to the public at no cost, and provides contact details for stakeholders to get more information. |
| **Guidance:**  **Future-use-plans:** Where local authorities determine how the land will be used, the future-use-plans might not be known to sites or they might not be able to influence them.  **Facilities and infrastructure:** This includes the facilities of the steelworks and, as applicable, roads, railways, dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.  **Mitigation provisions:** These may include access to education and training, early retirement possibilities for older workers, relocation and job search assistance.  **Protect from risks:** Risks include, for example, water damage, freezing, snow load, structure wear and tear, fire, flooding, intrusion. |

## Annex 1: ResponsibleSteel Standard Terms of Reference

1. Objective

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

2. Change Mechanism

2.1 In order to achieve this objective, the ResponsibleSteel Standard shall:

1. Define the fundamental elements that characterise the responsible sourcing and production of steel, to the satisfaction of downstream customers, users and civil society supporters;
2. Define levels of performance in the implementation of these fundamental elements of ResponsibleSteel, that:
3. Encourage the broad participation of steelmakers in both developed and developing countries in the ResponsibleSteel programme;
4. Merit the recognition and endorsement of the programme’s civil society supporters;
5. Maximise steel’s contribution to a sustainable society through the responsible sourcing of its raw materials and management of the impacts of its production.

3. Scope of Application and Issues

3.1 ResponsibleSteel Standard shall be applicable globally and to all types of steel production, including Basic Oxygen Furnace (BOF) steelmaking and Electric Arc Furnace (EAF) steelmaking.

3.2 The ResponsibleSteel Standard shall include Requirements that address the sourcing (and where relevant aspects of processing) of raw materials that are used for the production of steel and which have significant social and/or environmental impacts. Such raw materials include mined materials, refined metals for alloys and coatings, and pre- and post-consumer scrap metal for recycling.

3.3 The ResponsibleSteel Standard shall include consideration of the indirect emissions of greenhouse gases associated with energy generation (scope 2) as well as other (scope 3) indirect emissions of steelmaking.

3.4 The ResponsibleSteel Standard shall include Requirements that address the key societal, social and environmental issues associated with the production of steel and the sourcing of its raw materials, including: Business Integrity; Climate Change and Greenhouse Gas Emissions; Emissions, Effluent Waste; Water Stewardship; Biodiversity and Ecosystem Services; Human Rights; Local Communities and Indigenous Peoples; Labour Rights; Occupational Health and Safety; Legacy Issues.

4. Recognition of Other Sustainability Programmes

4.1 Where the ResponsibleSteel Standard’s objectives can be achieved most effectively through the recognition of performance Requirements defined and verified by other sustainability programmes in accordance with ResponsibleSteel’s Requirements, this shall be the preferred approach.

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

5. Content and Structure

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

5.2 The ResponsibleSteel Standard may provide for different levels and/or types of claims to be made depending on the level of performance that is achieved, and may be divided into separate parts to reflect this.

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

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

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

5.6 The Requirements of the ResponsibleSteel Standard:

* 1. Shall be drafted so that conformity can be assessed for any applicant within the scope of the ResponsibleSteel Standard without the need for subsequent modification or adaptation;
  2. Shall be drafted to minimise ambiguity in interpretation;
  3. May be expressed in terms of process, management or performance Requirements;
  4. Shall not be intended to favour any specific technology or patented item.

6. Glossary of Key Terms

6.1 The ResponsibleSteel Standard shall include or reference a glossary of key terms required to guide its consistent interpretation and implementation.

## Annex 2: The steel sector's core raw materials

##### List of the most important raw materials used for steelmaking, developed for worldsteel by The Dragonfly Initiative (https://www.thedragonflyinitiative.com/), complemented by important raw materials used for stainless steel production.

##### Aluminium (metallic)

##### Charcoal

##### Chromium metal

##### Coal

##### Metallurgical Coal

##### Coke

##### Cobalt

##### Calcium (cored wire)

##### Dolime

##### Dolomite

##### Ferro-Aluminium

##### Ferro-Boron

##### Ferro-Chromium

##### Ferro-Manganese

##### Ferro-Molybdenum

##### Ferro-Nickel

##### Ferro-Niobium

##### Ferro-Phosphorous

##### Ferro-Silicon

##### Ferro-Titanium

##### Ferro-Tungsten

##### Ferro-Vanadium

##### Graphite

##### Iron ore

##### Iron (pig)

##### Lime

##### Limestone

##### Manganese metal

##### Magnesia

##### Molybdenum metal

##### Molybdic Oxide

##### Nickel

##### Nickel niobium

##### Scrap

##### Silico-manganese

##### Tin

##### Zinc

1. Steel product: Product produced from steel and shipped out from steelworks. Examples: Hot rolled steel, pickled hot rolled steel, cold rolled steel, finished cold rolled steel, electrogalvanized steel, hot-dip galvanized steel, tin-free steel, tinplated steel, organic coated steel, section, plate, rebar, engineering steel, wire rod, seamless pipe, UO pipe, welded pipe (Adopted from ISO20915:2018(en) Life cycle inventory calculation methodology for steel products). [↑](#footnote-ref-1)
2. Final product: Product that requires no additional transformation prior to its use. Examples: Automobiles, building structures, building envelopes, packaging (Adopted from ISO 20915:2018(en) Life cycle inventory calculation methodology for steel products). [↑](#footnote-ref-2)
3. Steel’s contribution to a low carbon future and climate resilient societies - worldsteel position paper © World Steel Association 2019 ISBN 978-2-930069-83-8 [↑](#footnote-ref-3)