

Building a sustainable future for steel

All about ResponsibleSteel™



Building a sustainable future for steel

All about ResponsibleSteel™



What is ResponsibleSteel?

ResponsibleSteel is a global not-for-profit multistakeholder standard and certification initiative.



“

Mighty Earth is proud to be a stakeholder in what will soon become the global standard for low-emission and responsibly sourced steel. We urge automakers and other steel buyers to get behind this.”

Glenn Hurowitz
Founder and CEO
Mighty Earth



“

Tangible action to decarbonise the steel industry is ramping up, especially with the finalisation of the ResponsibleSteel International Standard Version 2.0. We now have clear requirements on both GHG emissions and responsible sourcing of input materials.”

JEN CARSON
Head of Industry
Climate Group



“

We share the vision of ResponsibleSteel that steel’s contribution to a sustainable society is maximised, and that the responsible sourcing, production, use and recycling of steel is enhanced.”

SEAMUS FRENCH
CEO of Bulk Commodities
Anglo American

“

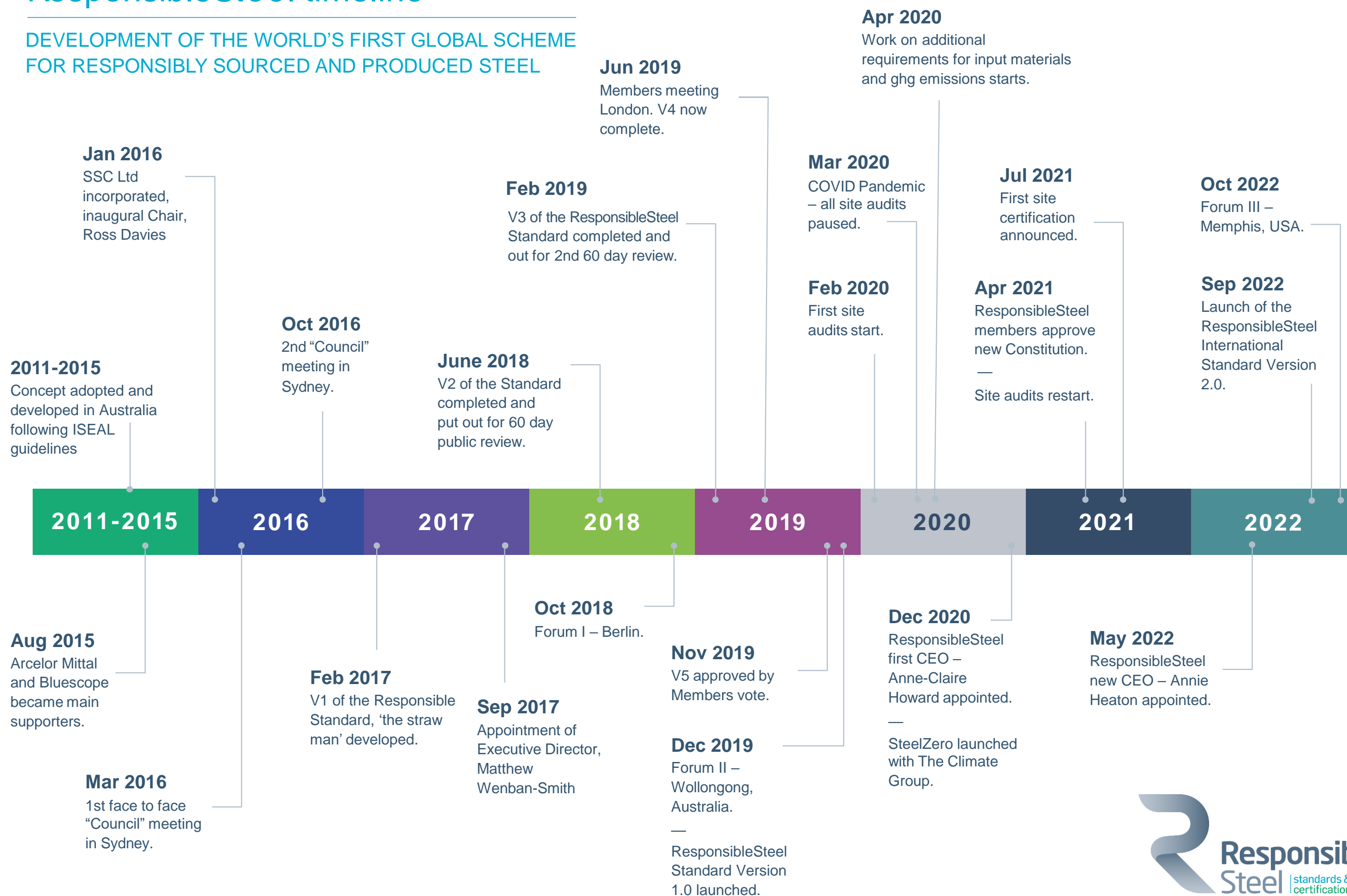
Membership of ResponsibleSteel gives us the opportunity to address pressing global challenges that matter to us, such as climate change and human rights. We hope to see our peers, clients and competitors join us as members so together we can accelerate the development of truly responsible steel.”

CATE HARRIS
Group Head of Sustainability and Lendlease Foundation
Lendlease



ResponsibleSteel timeline

DEVELOPMENT OF THE WORLD'S FIRST GLOBAL SCHEME FOR RESPONSIBLY SOURCED AND PRODUCED STEEL





The steel sector is the largest industrial emitter of CO₂ – it contributed more than 7% of global emissions in 2019.”

OUR PURPOSE – TO MAXIMISE STEEL’S CONTRIBUTION TO A SUSTAINABLE WORLD

Steel has shaped the world around us, and will shape our future, but there is an opportunity to do things differently; to control the impact we make, by taking the right measures to source, produce and utilise steel responsibly.

Take a look around you. Whether you’re aware of it or not, you’re surrounded by steel. It’s one of the world’s most widely used materials, a critical component in energy generation and distribution, and the most recycled material on earth. It’s essential for the construction of buildings and infrastructure, rail, roads, vehicles, domestic appliances, and much more.

One of the largest materials industries in the global economy, the steel supply chain is complex, encompassing activities ranging from mining raw materials through to steel production, manufacturing and beyond.

The steel industry has diverse impacts on people and planet. It is the world’s largest industrial emitter of CO₂ and although technology is available to decarbonise the production of steel, incentives for steel producers to implement change at the pace needed are currently insufficient, nor is there the capacity for recycled steel to meet ever increasing demand.

Consumers increasingly expect companies they buy from to choose sustainably sourced input materials for manufacturing. In every sector, from vehicle manufacturers to bridge builders, there is a growing need to purchase responsibly – a demand that is difficult for the steel industry to meet.

As an independent global scheme, ResponsibleSteel’s contribution will be to support the steel sector in making the necessary changes for success.



Our mission is to be a driving force in the socially and environmentally responsible production of net-zero carbon steel, globally.”

HISTORY IN THE MAKING

The steel sector knows that it needs to think hard about how sustainability will impact the industry, and the world around it.

ResponsibleSteel, a not-for-profit multi-stakeholder organisation, has been founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel.

We are building consensus on what sustainability looks like for steel – including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers’ rights, communities and biodiversity.

ResponsibleSteel provides a global framework for responsibly sourced and produced steel.

Aligned with the ISEAL codes of good practice, ResponsibleSteel’s credible standards and robust auditing is helping to transform the steel industry by rewarding best practices at every stage of the supply chain. This recognition will not only benefit the producers and manufacturers already working to high standards, but also put pressure on those who don’t to raise their game.

Through stakeholder engagement and implementation of a clear theory of change, our ambitious standard has been developed with a diverse mix of stakeholders, businesses and civil society groups alike. Helping the industry to become a driver for positive change, and recognise that this is fundamental to competitive advantage, securing market share and imperative to securing a greener planet for future generations.

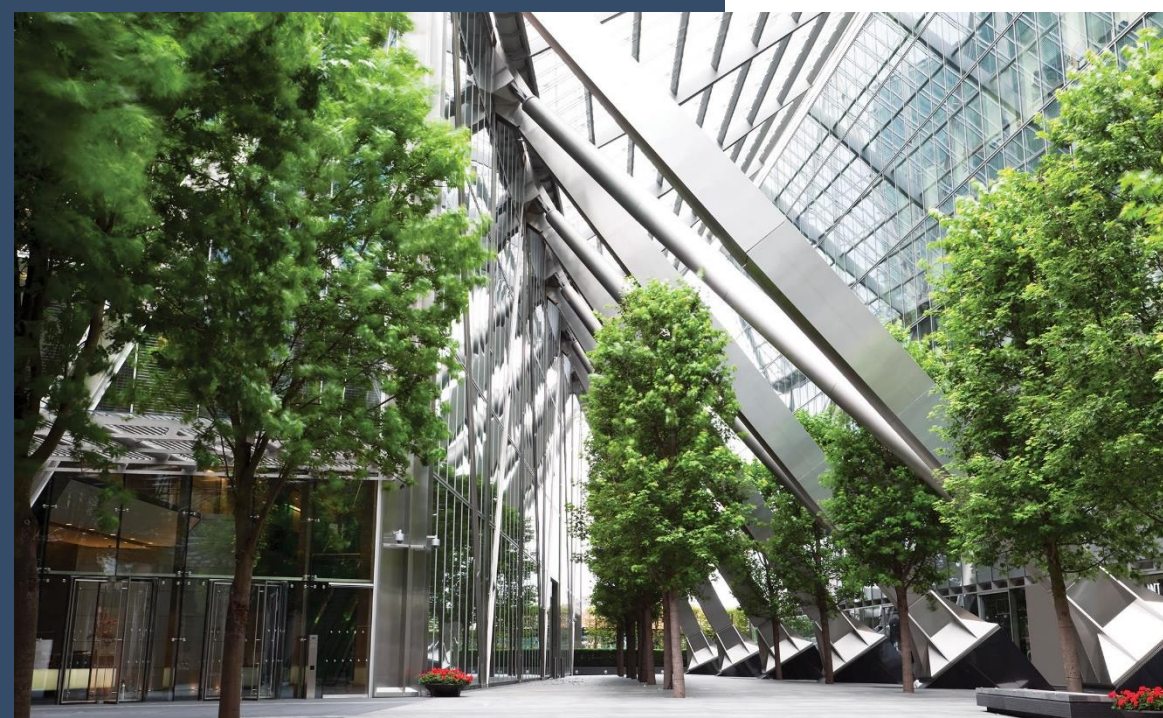
Our mission is to be a driving force in the socially and environmentally responsible production of net-zero carbon steel, globally.

TOGETHER, WE CAN MAKE A LASTING IMPACT ON THE WORLD

If we’re going to turn our mission into reality, we need our partners’ help and support.

By working hand in hand with some of the most influential organisations in this industry and beyond, together, we will continue to drive positive change through the recognition and use of ResponsibleSteel, now and in the future.

If we succeed, everyone wins.



Global collaboration for a sustainable future

THE CHALLENGE AND THE VISION

Customers, stakeholders, and consumers increasingly expect businesses to take responsibility for their social and environmental impacts.

The positive impact the steel industry can have on sustainability targets can be realised with the support of multiple stakeholders both from within and from outside the steel supply chain.

ResponsibleSteel's strategic approach brings together not just business and civil society groups, but also sources of finance and policy makers, to work towards shared sustainability goals at pace, and build consensus across all partners for maximum effect.

THE OPPORTUNITY

Steel is a big part of the problem, but steel can be a big part of the solution.

Steel is one of the largest materials industries in the global economy, utilising huge quantities of raw materials through production – 85% of the world's manganese and 60% of its nickel and zinc amongst many others. 10% of the world's coal is used in steel production, whilst steel production and processing contributes between 7% and 9% of the world's greenhouse gas emissions.

As a material that can be recycled endlessly without loss of quality, steel can have a central role in a sustainable, circular economy.

However, a sufficient stock to meet the world's growing needs for recycled steel will likely not exist until beyond 2070. Therefore, addressing sustainability issues in the current production and supply of steel is necessary to bridge this gap and work to meet the global emissions targets of the Paris Agreement.

It is the scale of the steel sector, and the impact it has on the world, that creates so much potential for steel to contribute to a sustainable future.

THE ACTION PLAN

Building a business case for responsibly produced steel:

ResponsibleSteel's role is focused on ensuring shared sustainability goals are aligned to a clear business case for the steel supply chain.

ResponsibleSteel is dedicated to defining and promoting three key pillars which work to achieve responsible practice:

1. Allow producers to meet the sustainability needs of their customers
2. Improve responsible sourcing and reduce risk in the steel supply chain, protecting workers and communities
3. Enable leading producers to promote steel as a responsible material

The ResponsibleSteel International Standard provides the consensus on sustainability, defining responsible practice across the industry and focusing activity to drive the transition to carbon-free steel production.

The ResponsibleSteel Standard:

- Drives sound management of air, water and biodiversity impacts.
- Asks for strategies to reduce GHG emissions and requires their reduction over time.

- Demands respect for workers' rights and other human rights.
- Caters for jobs that are safe for the health of workers and communities.
- Ensures that responsible patterns of production and consumption are met.

The ResponsibleSteel International Standard is formed of 13 principles which cover the key governance and social and environmental issues influenced by steelmaking.

Our strategy is to promote and drive uptake of the ResponsibleSteel Standard worldwide to help further strengthen the business case for sustainably sourced steel, creating value for those in the supply chain who commit to and implement our standard.

Auditing steel production and processing sites and working with credible, third party mining assurance schemes ensures sound practice is recognised through third party certification, giving our membership confidence in the implementation of the standard and ultimately driving future demand for ResponsibleSteel certification.

These goals will have a positive impact for business, people and the environment, and will create business advantage in a market that is subject to increased scrutiny.

Engaging with the whole supply chain



ResponsibleSteel recognition of ESG programmes for mining

ResponsibleSteel works in partnership with credible, third-party mining assurance schemes towards achieving responsible sourcing along the steel supply chain: IRMA (Initiative for Responsible Mining Assurance), TSM (Towards Sustainable Mining) as well as other standards initiatives in the mining sector. This ensures that mining practices and working conditions are scrutinised to achieve responsibly sourced input materials, whilst looking after people and communities in mining areas.

ResponsibleSteel certification of steel making sites

ResponsibleSteel works with competent certification bodies and auditors to assess and certify responsible business practices in steel making sites. This includes key governance, social and environmental principles.

ResponsibleSteel certification of steel products

ResponsibleSteel Certified Steel is steel produced within the scope of certification at a ResponsibleSteel certified site that has achieved at least the level 1 progress level for both GHG emissions intensity and for the responsible sourcing of input materials developed by ResponsibleSteel in consultation with its members and other stakeholders and covered by the ResponsibleSteel International Standard Version 2.0.

ResponsibleSteel in partnership with its members:

THE STEEL SECTOR IS ALREADY WORKING TOWARDS A SUSTAINABLE FUTURE

The support of wider stakeholder partnerships is driving the mission forwards, to be a driving force in the socially and environmentally responsible production of net-zero carbon steel, globally.

ResponsibleSteel asks its members to support the initiative publicly. It means encouraging members to use the ResponsibleSteel International Standard as a campaign tool and embracing ResponsibleSteel branding and collateral. It also means that our membership actively demonstrates the work it's doing to address the massive challenges that the sector faces.

Credibility comes through independent, third party certification, backed up with ResponsibleSteel's own scrutiny of auditing bodies and transparent reporting.

ResponsibleSteel Members and Associates:

ResponsibleSteel is an international, multi-stakeholder membership organisation. New members are welcome from anywhere in the world, including businesses from every part of the steel supply chain, civil society groups, associations, and other organisations with an interest in a responsible steel industry. Organisations that are not eligible for full membership but wish to show their support and be kept informed as the programme develops are invited to join as Associates.

ResponsibleSteel Member Categories:

- **Business Organisations (full member):** steelmakers, input material suppliers and downstream users
- **Civil Society & Social/Environmental Organisations (full member):** organisations with social or environmental missions and trade unions
- **Associate:** governmental organisations, trade associations, standards bodies, conformity assessment bodies and academic institutions.

RESPONSIBLESTEEL MEMBERSHIP HAS MANY BENEFITS:

Business and Civil Society Members:

- Voting rights on the ResponsibleSteel Standard, including new and revised editions of the Standard(s)
- Global multistakeholder dialogue with the whole steel supply chain, civil society and associate organisations
- Independent certification and robust assurance
- Use of the ResponsibleSteel logo (Member) under Logo and Claims Guidelines and communications support, including use of ResponsibleSteel Certified Site logo for steelmakers achieving ResponsibleSteel site certification
- A listing of your organisation or company on the ResponsibleSteel website, newsletter and on ResponsibleSteel social media
- Active participation in workshops, webinars, and other for a to help shape the ResponsibleSteel work programme
- Invitations to participate in membership meetings and ResponsibleSteel Forums
- Being part of the global dialogue on responsible steel

Associate Members:

- Global multistakeholder dialogue with the whole steel supply chain, civil society and associate organisations
- Use of the ResponsibleSteel logo (Associate) under Logo and Claims Guidelines and communications support
- A listing of your organisation or company on the ResponsibleSteel website, newsletter and on ResponsibleSteel social media
- Active participation in workshops, webinars, and other fora to help shape the ResponsibleSteel work programme
- Invitations to participate in membership meetings and ResponsibleSteel Forums
- Being part of the global dialogue on responsible steel



Everyone needs to be confident that when a steelmaking site says it is implementing the ResponsibleSteel Standard, it is.”



The impact that ResponsibleSteel can deliver



WHERE WE ARE NOW

The way we live now isn't sustainable.

The climate crisis is now a prominent part of the mainstream news and political agenda. Businesses are starting to integrate climate change and sustainability into their core decision-making and civil society groups are questioning the relationships between commerce and global environmental changes. Yet despite the growing noise and attention, global carbon emissions are higher than ever, and increasing.

Economic, structural and political barriers are preventing investment, policies and market innovations from scaling at the pace required to prevent the climate emergency.

Based on current consumption rates, the demand for steel globally is forecast to increase from 1.5 billion tonnes in 2019 to over 2.1 billion tonnes by 2050.

Key players in the steel industry are already committed to their own sustainability targets, however the only way to meet future increased demand and make a difference to steel production emissions is through a coordinated response between business and civil society.

Announcement of the world's first certified steelmaking sites in Belgium, Germany and Luxembourg owned by ArcelorMittal, 20th July 2021



“

ResponsibleSteel is growing its level of investment in order to achieve its mission for the steel sector.”



WHAT CAN BE ACHIEVED

ResponsibleSteel works with a group of diverse stakeholders, from both within and outside the steel industry, but needs greater levels of support to ensure the proliferation of responsible practices and for global emissions targets to be met.

It is a huge task to undertake:

The ResponsibleSteel Standard must develop

ResponsibleSteel has established a standard that works for the whole industry - but much of the work to keep the standard up-to-date, to match the pace of change in the world, is still to do:

- Developments, revisions and updates will be required in a cycle every 3-5 years.
- Stakeholder approvals must be gained across an ongoing series of international meetings, presentations, discussions and agreements.
- A global reporting platform must be created:
 - To report on the impact and measure growth in global contributions to sustainability and commercial reward.
 - Across different sectors, territories and parts of the supply chain.

Global policies need to change

- Key campaigning and lobbying organisations, must continue to help build relationships, recognition and social capital with governments, policy makers and procurement departments around the world, to ensure policies are changed for the better.
- If global recognition can be gained in standards for major procurement, key sectors concerned with the use of sustainable materials such as green construction, automotive manufacturing and renewable energy will specify use of ResponsibleSteel. This is similar to what has already been achieved in global timber procurement at national and international levels.

We must develop a global network

Developing and maintaining a true multi-stakeholder standard is difficult. Here are just some of the tasks that will need to be successfully implemented around the world:

- Reaching out to civil society and building the support required.
- Influencing national and international policy makers to make significant change.
- Managing data, monitoring and reporting on impact, to celebrate what is being achieved, but also highlighting what is still to be accomplished.
- Ensuring that claims are monitored, making sure that false claims are not made in ResponsibleSteel's name.
- Building recognition for the scheme, globally, to make the big moves into China, North America, South America, Africa, Russia and the Middle East that are needed.

The team at ResponsibleSteel is small

It is important we grow the size of the team quickly to take advantage of opportunities of scale. China controls half of the world's steel production and half of the world's steel consumption – just one example of where more resources can have a huge impact.

For ResponsibleSteel to achieve the level of engagement, support, and technical alignment needed - significant growth will be required. Plans to maximise opportunities with existing members and stakeholders, and to engage with new members are underway.



“

Without huge change in the steel industry, the global net zero emissions target will not be met by 2050.”



IF THE WORLD IS TO MEET THE GOALS OF THE PARIS AGREEMENT, THE STEEL SECTOR NEEDS TO DECARBONISE FAST

The finance required to transform the industry is in the region of US\$80 billion a year up to 2050, according to the Energy Transition Commission (ETC). The scale of the task will rely on both private and public investment to succeed.

The ETC has demonstrated it is technically feasible to decarbonise steel production. The challenges are that:

- Multiple routes exist to achieving low carbon emissions, potentially held back by different industry structures, systems, technical solutions, and country policies.
- Several technologies exist to create zero carbon emissions in steel production, but they are at various stages of commercial viability, with many still at pilot stage.

Individual businesses in the steel supply chain will find it difficult to bear the upfront costs of investment due to pressure on margins in a competitive international sector. However, many energy efficiency improvements could, in principle, deliver attractive rates of return, particularly with increasing demand for steel in large sector markets (e.g. the automotive and construction sectors) to source low carbon products. The ETC expects the cost to the end consumer to be modest, for example, an increase of 1% to the price of an average car, so therefore, do not expect a negative impact on consumer demand.

ResponsibleSteel will work with partners to make the huge amount of complexity as simple as possible. Businesses and sites that meet the requirements of the ResponsibleSteel Standard will be better placed to meet future climate policies, address risk, manage their reputations and respond to markets for responsible, low carbon steel. This will make them better investments than those that do not.

To support investment ResponsibleSteel:

- Provides a benchmark for sound practice that makes it easier for investors to differentiate between steel businesses.
- Ensures certification will provide confidence in the fact that capital raised will support responsible steel production and sourcing.

WE ARE DOING SOMETHING TODAY THAT HAS NOT BEEN DONE BEFORE

Creating an agreed international standard for responsible steel making and sourcing.

ResponsibleSteel is pulling together all the critical elements of global supply, demand and financing, in a framework that incentivises low carbon transition using market-based rewards.

Help us make compliance with the ResponsibleSteel Standard a normal part of business practice worldwide.

Get involved, help us drive the acceleration of change needed, to create a more sustainable steel industry, and achieve zero carbon emissions by 2050.

Thank you to our contributors and our membership for support in building this document.

References have been made to emissions and production data from **The Energy Transmission Commission, HSBC, and ArcelorMittal** sustainability reports.

Quotes from some members have been used. Thank you to **Climate Group, Anglo American, Lendlease and Mighty Earth.**

Please join us to help build ResponsibleSteel and be part of this growing multi-stakeholder organisation

For further information or to get involved with the ResponsibleSteel global initiative, please contact:

info@responsiblesteel.org



ResponsibleSteel™
755 Hunter Street
Newcastle West
NSW 2303,
Australia

www.responsiblesteel.org