



# ResponsibleSteel

Connecting the dots on steel decarbonisation initiatives: contributing to a global inclusive dialogue, OECD GFSEC, 21 September 2022

**ANNIE HEATON**  
**CEO ResponsibleSteel**



“

ResponsibleSteel has developed the world's first global initiative for responsibly sourced and produced steel.”

Driving the responsible production and sourcing of near zero steel via

- International standards and assurance programme
- 13 ESG principles, >500 requirements
- 13% global steel market by volume in membership
- 130 members across steel value chain
- Multistakeholder membership by design



# ResponsibleSteel Standard V2.0

- 13 principles, 61 criteria, >500 requirements
- Sites are audited against the requirements by approved and trained third party auditors

## Governance Principles

1. Corporate Leadership
2. Social, Environmental, Governance Management Systems
3. Responsible Sourcing
4. Decommissioning and Closure

## Social Principles

5. Occupational Health + Safety
6. Labour Rights
7. Human Rights
8. Local Communities
9. Stakeholder Engagement and Communication

## Environment Principles

10. Climate Change and Greenhouse Gas Emissions
11. Noise, Emissions, Effluents and Waste
12. Water Stewardship
13. Biodiversity



**ResponsibleSteel Assurance Manual**

Version 1.0

29 December 2019

## Assurance programme

Compliance with ResponsibleSteel standard is audited and certified under our Assurance programme:

- Approval of certification bodies
- Training of auditors
- Validation of audit plans
- Quality control of audit reports
- Independent Assurance Panel
- Oversight programme

# ResponsibleSteel Certified Sites

- Site standard launched Dec 2019
- First site certification, post lockdowns, in July 2021
- Today 41 sites certified across 4 continents
- >100mt steel covered in site certifications by end 2022
- Ongoing site audits in Europe, Brazil, India, Rep. of Korea
- More in the pre-public stage.
- First 'certified steel' anticipated 2023



# BREAKING NEWS

14 Sep 2022

Leading steel companies and NGOs agree to  
International Standard on climate for industry



# Data



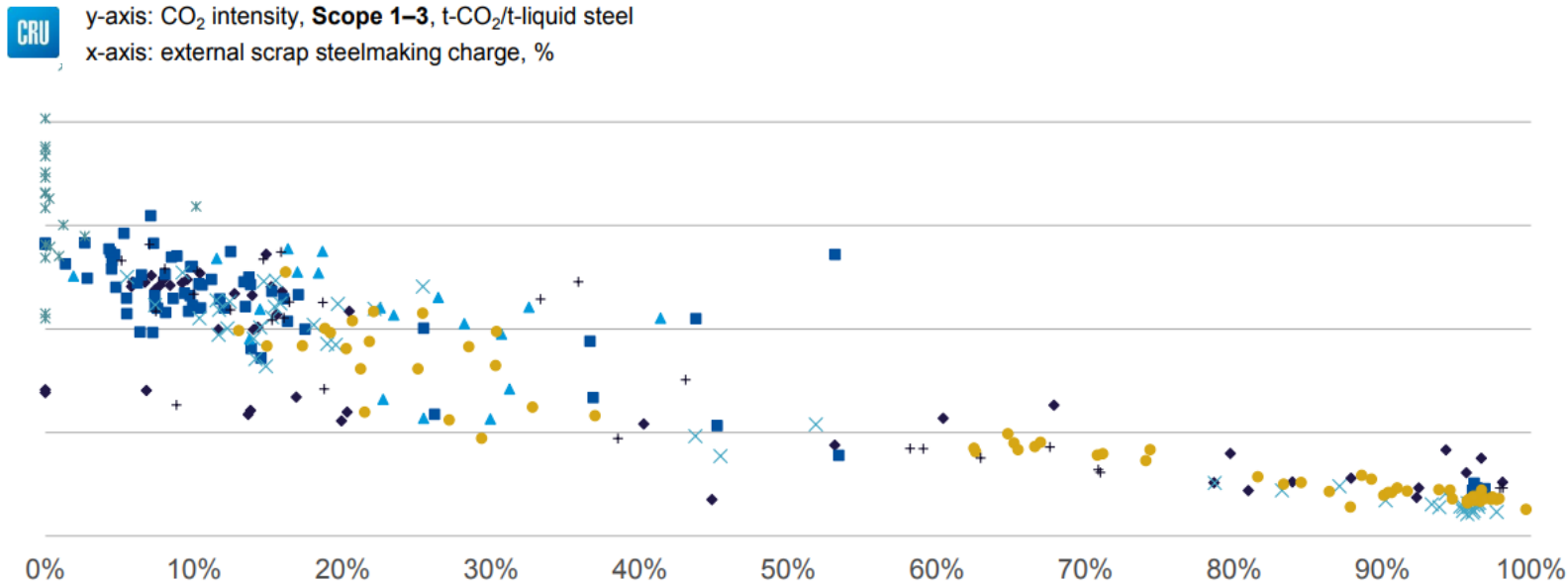


# GHG benchmarks need good data

## ResponsibleSteel approach to defining thresholds of embodied GHG :

- a. Determine global average carbon intensity of a tonne of crude steel at each % scrap input
- b. Reward all those tonnes steel performing better than average
- c. Revise average downward over time

→ Needs global data set of industry GHG emissions to determine the '**global average**' carbon intensity.





# Standards will play a vital role in enabling decarbonisation

## Drivers for low emissions and near zero steel

**Demand –  
private sector**

**Demand -  
public sector**

**Financial  
institutions**

**Policy  
makers**

*How to signal it?  
How to measure it?*

*How to signal it?  
How to measure it?*

*How to cost finance  
for it?*

*How to treat it  
consistently?*

*i.e. How to benchmark it?*

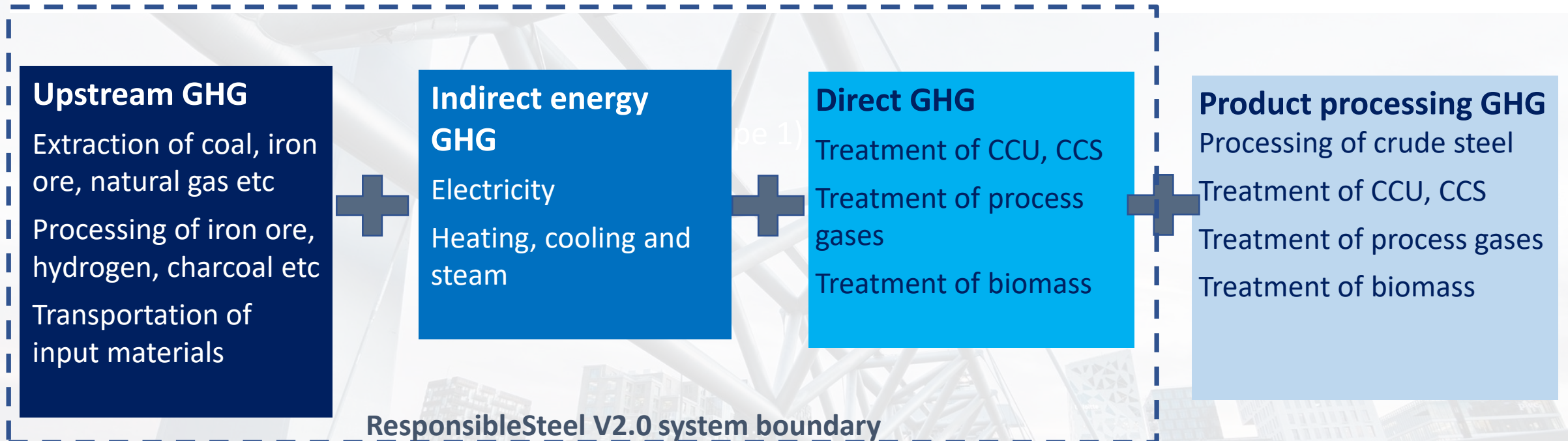
**Lack of consistency, comparability in GHG emissions  
across steel industry**

**International standard + assurance**

# GHG intensity benchmarks – compare like with like

Application of thresholds requires comparability between different sites, different steels and different business models

- Consistent system boundary for assessing embodied GHG emissions
- Consistent GHG accounting rules: ISO14404, EN19694, WSA, ISO14025; ISO14040&44, EN15804 etc
- Assurance scheme



# Additional slides





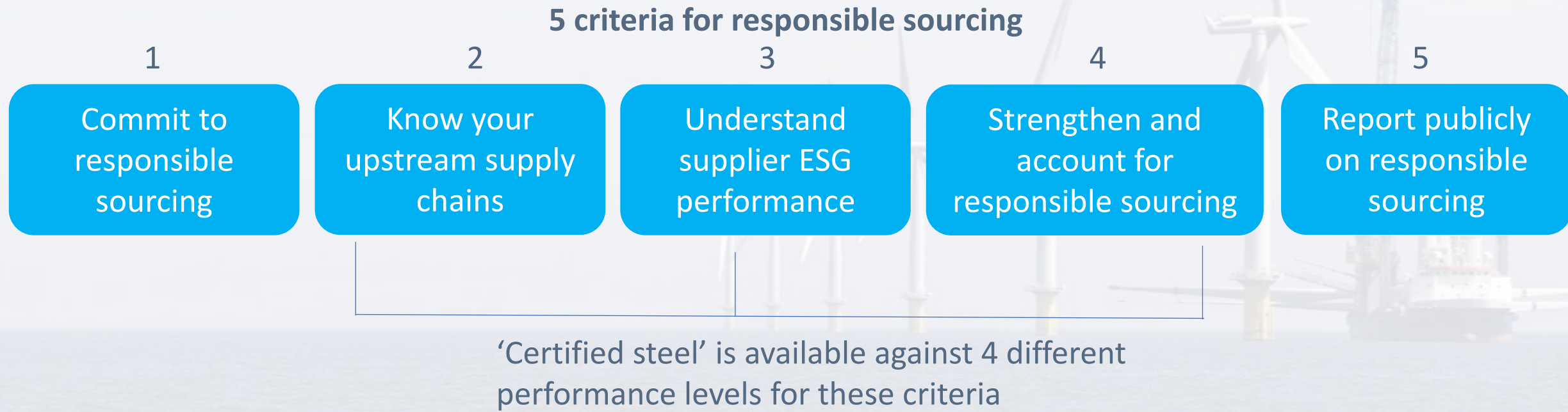
# ResponsibleSteel V2.0

## New requirements on responsible sourcing



# ‘Certified Steel’: Responsible sourcing overview

- Clear roadmap for the responsible sourcing journey for steel companies and their suppliers
- Rewards good ESG practice by input material suppliers
- Builds on existing standards and ESG programmes for responsible mining and forestry
- Scrap and extracted material addressed separately





# ResponsibleSteel 2.0

Focus on GHG emissions

# ResponsibleSteel Standard: for certified sites and certified steel

Requirements of the Standard	'Site' certification	'Steel' certification
Corporate owner published science-based GHG target in line with the Paris Agreement	✓	✓
Corporate owner implemented TCFD	✓	✓
Site level GHG emissions measured	✓	✓
Site level GHG intensity performance ('cradle to crude steel') measured using specified ResponsibleSteel accounting rules		✓
Site level GHG target in place and implemented	✓	✓
Site level GHG intensity performance thresholds		✓
GHG disclosure of GHG emissions, target, GHG intensity performance + <b>product carbon footprint</b>	Partial	✓

NB Highlighted elements are additional requirements for 'steel' certification.



# V2.0 certified steel: embodied GHG emissions + product carbon footprint

- Application of thresholds requires comparability between different steels → consistent system boundary.
- V2.0 requirements for the calculation of embodied GHG of crude steel include the following :

## **Upstream indirect GHG emissions**

Material extraction (iron ore, lime, coal, gas, biomass)

Material preparation and processing

Transportation

## **Energy indirect (Scope 2) GHG emissions**

Clean electricity

Heating, cooling and steam

## **Direct (Scope 1) GHG emissions**

### **Direct (Scope 1) GHG emissions**

NOT Non-ferrous metals and ferro-alloys

Up to the production of crude steel only

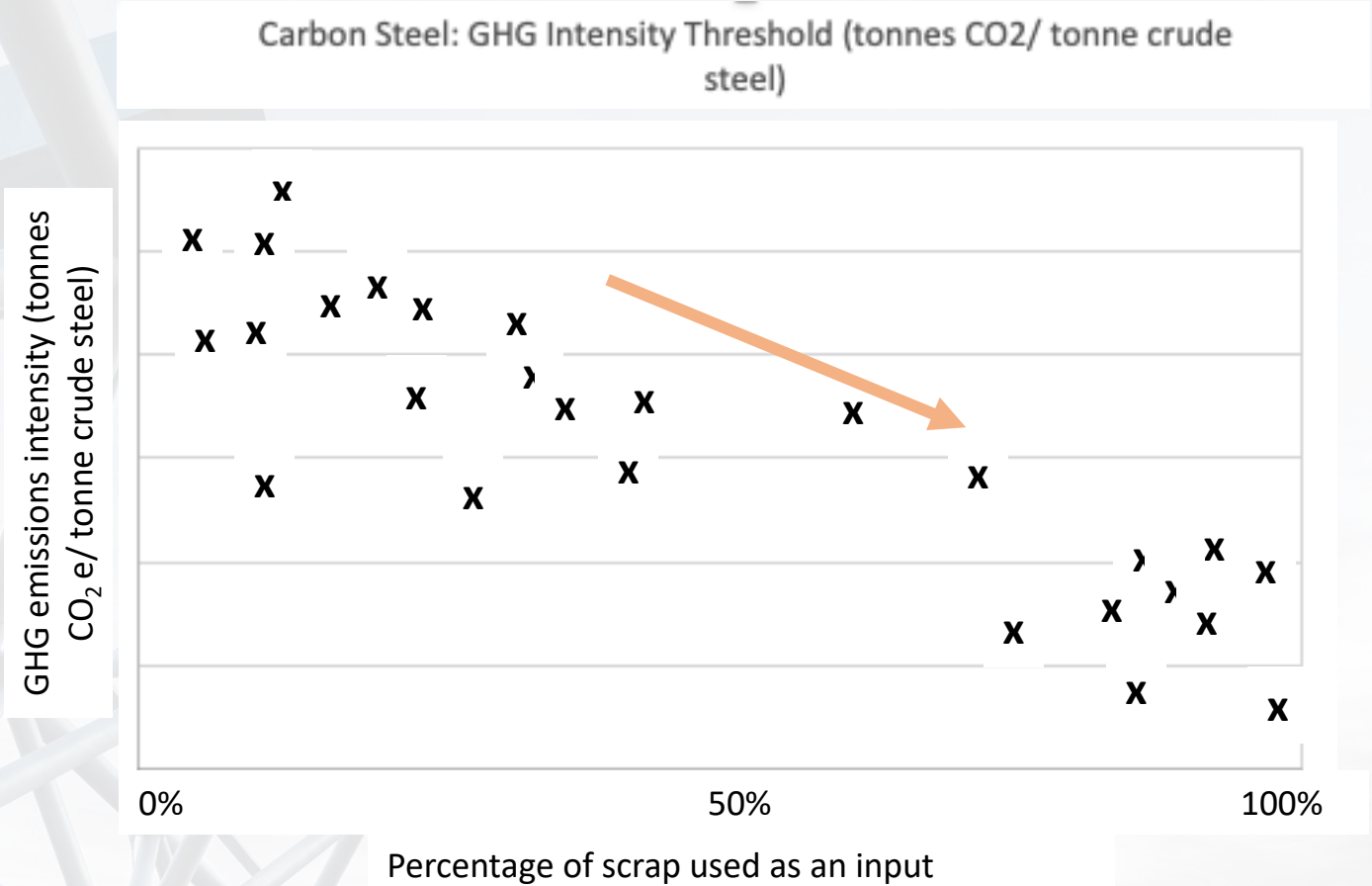
CCUS net GHG benefits recognised

- Site must also disclose **product carbon footprint** to qualify for steel certification



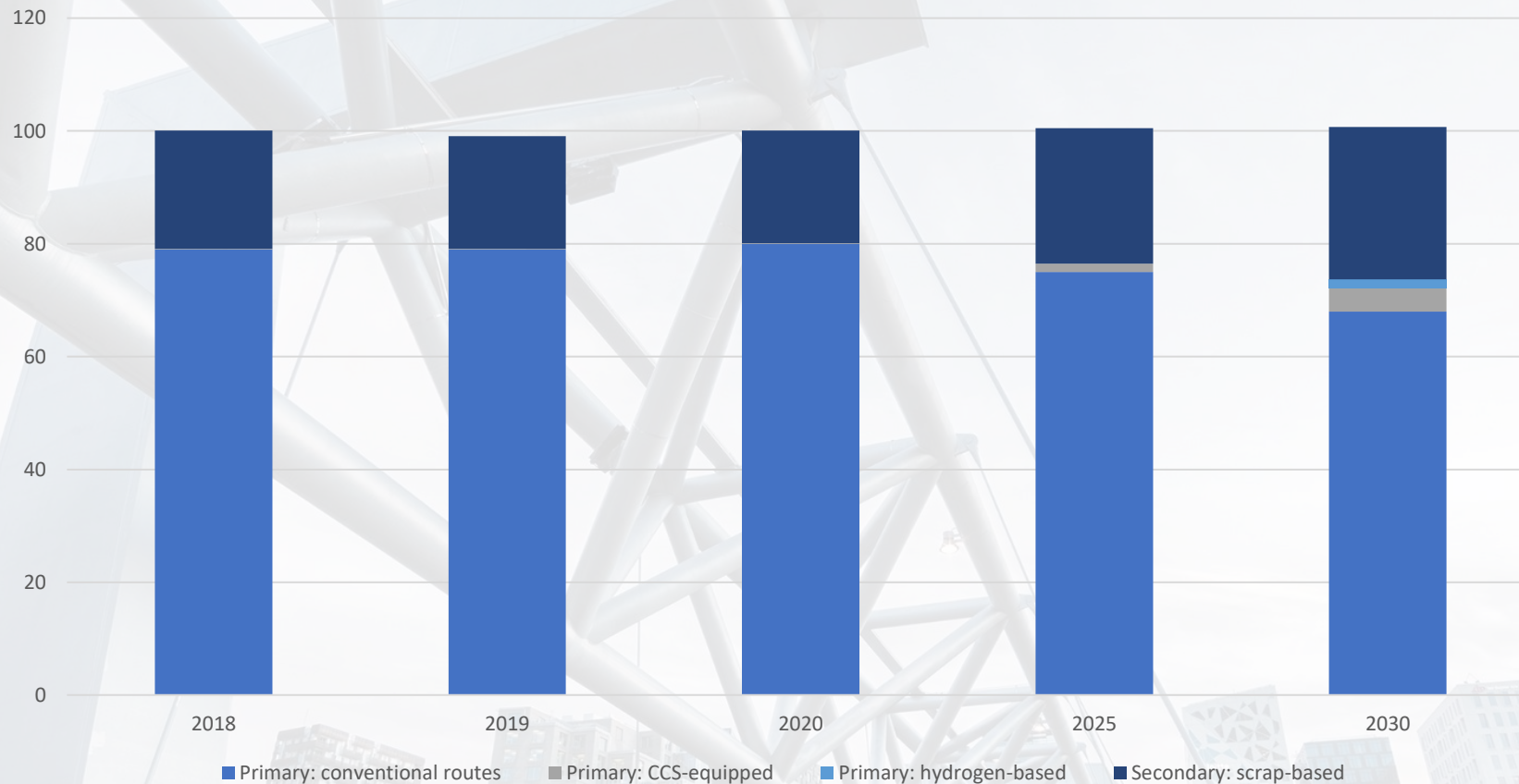
## V2.0 certified steel: embodied GHG emissions thresholds

- Embodied GHG emissions tend to be lower the higher the % scrap used.



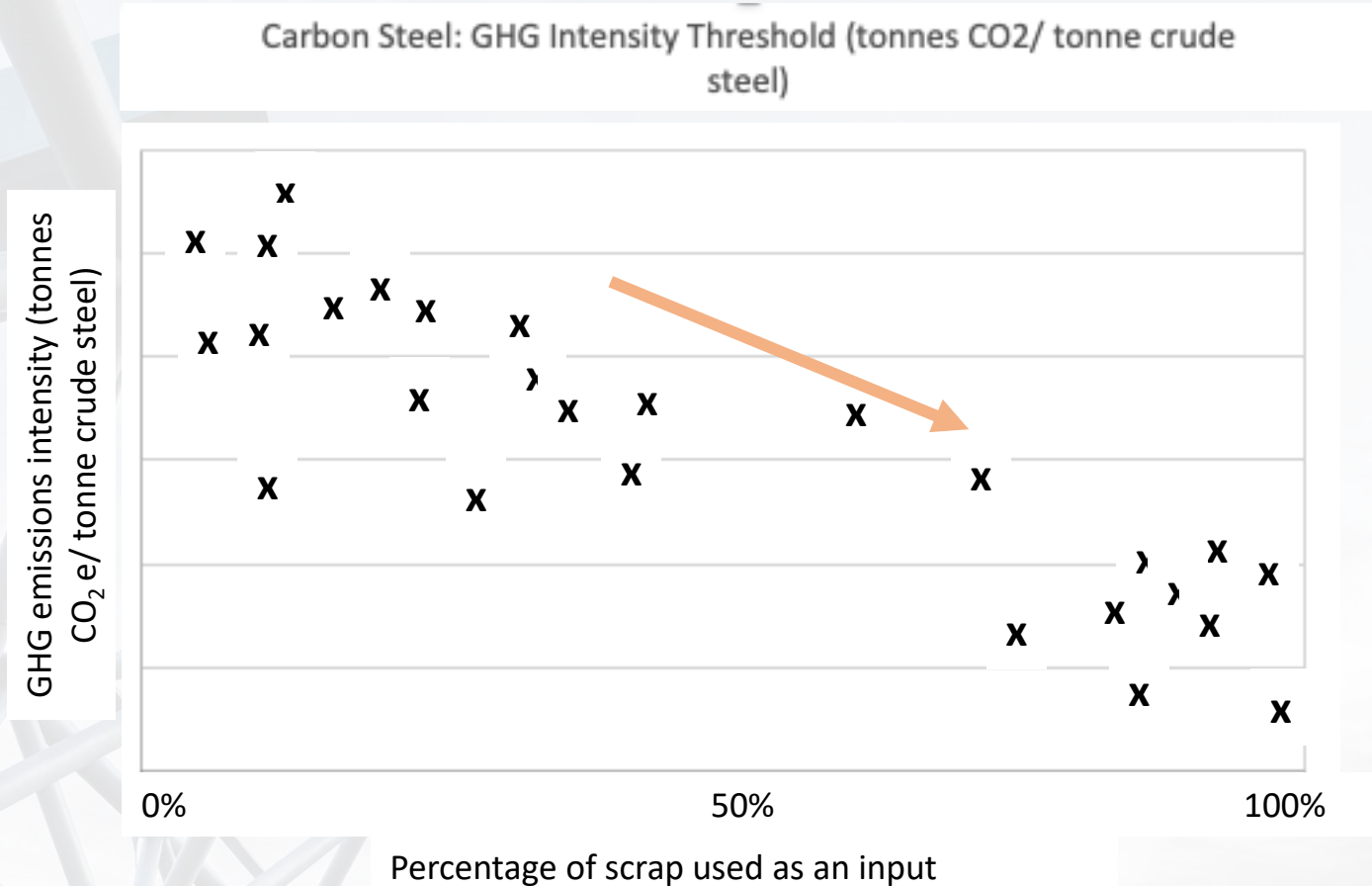
# V2.0 certified steel: scrap is a limited solution

Steel production by share of different process routes in IEA Net Zero Scenario, 2018-2030



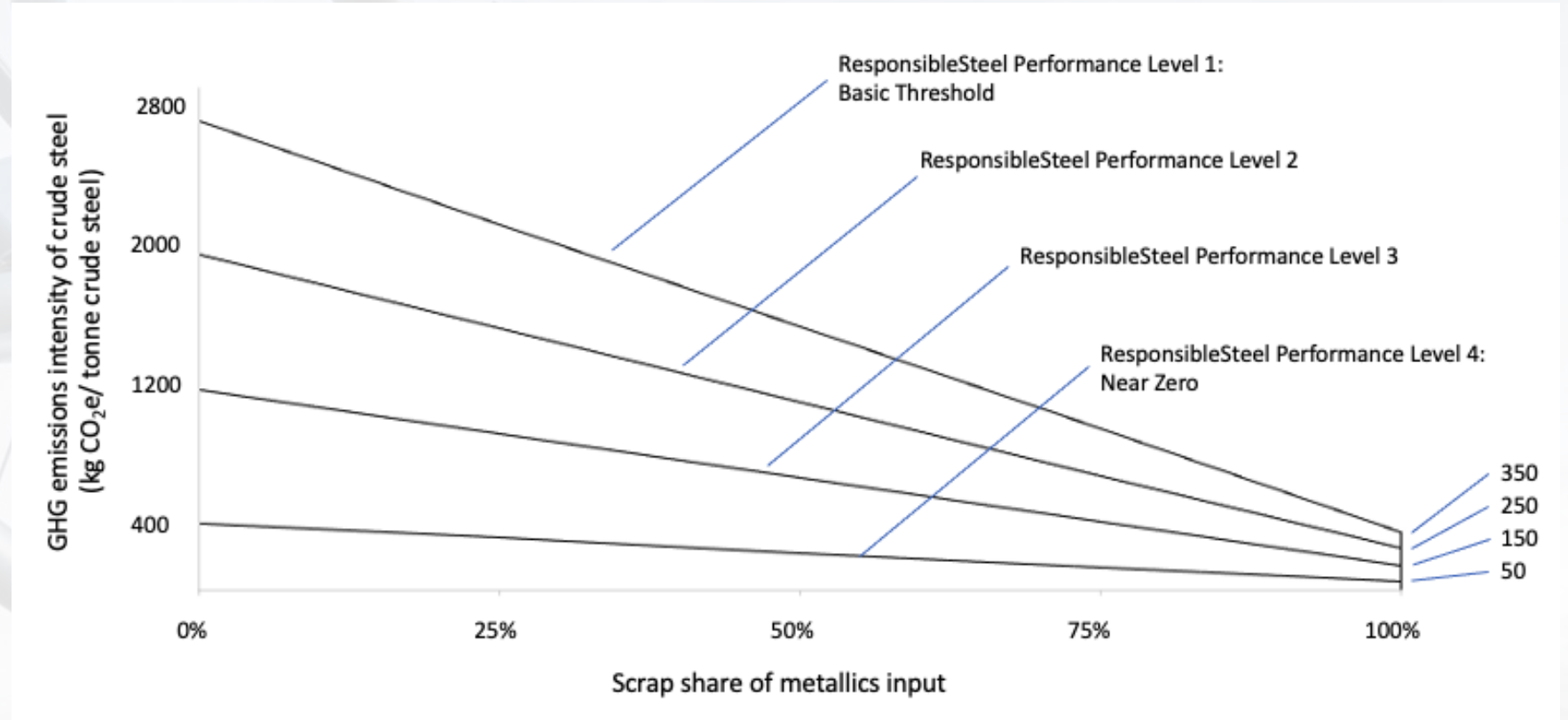
# V2.0 certified steel: embodied GHG emissions thresholds

- Embodied GHG emissions tend to be lower the higher the % scrap used.
- Scrap stocks are insufficient to drive net zero by 2050
- Steel mills with the same % scrap input can vary widely in GHG emissions



# ResponsibleSteel GHG emissions intensity performance levels

- Thresholds based on % scrap due to limits in global scrap
- Allows for technology shifts
- 4 levels distinguish better performance from Level 1 to 'near zero' steel (and eventually 'net zero' steel)
- Level 1 threshold is (initially) 'better than global average'
- Level 1 threshold will become more demanding over time
- RS certified steel GHG performance / levels will be disclosed alongside product carbon footprint data



NB ResponsibleSteel Claims Guidance project Sept-Dec 2022 to determine claims, logos and labelling related to certification.



# ResponsibleSteel – what's next?

- From development phase → building momentum
- Roll out additional requirements for steel certification
- Building out ResponsibleSteel in India, N America, Asia

**“Shaping the Future of responsible steel”,  
Forum III – 31 October 2022, Memphis, USA**

- Strengthening the standard, deepening the certification programme
- Working with partners to strengthen the drivers for responsible decarbonisation – all 13 principles of ResponsibleSteel