ResponsibleSteel - our role in “Shaping the future of low carbon steel”

worldsteel Open Forum
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CEO ResponsibleSteel
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 has developed the world’s first global initiative for responsibly sourced and produced steel.”
Multistakeholder members across the value chain
Driving responsible production and sourcing of net zero steel

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**Core services**

- ResponsibleSteel Standard
- ResponsibleSteel Assurance programme
- Multi-stakeholder forum to build trust and drive consensus

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**Build business value**

- **Steel producers** find internal value from certification
- **Customers** specify ResponsibleSteel™ certification
- **Financial markets** expect ResponsibleSteel™ certification
- **NGOs and trade unions** support ResponsibleSteel™
- **Policy Initiatives** + private sector → harmonised standards

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**Deliver Impact**

- **ResponsibleSteel™ certifications** grow across in every country, driving up standards
- Responsible production and sourcing of net zero steel - globally
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
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
New ResponsibleSteel Standard launched to facilitate transition to decarbonised future
Civil Society Groups Applaud Launch of ResponsibleSteel’s International Standard V2.0
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 → drives certification and transparency
- Builds on existing standards and ESG programmes for responsible mining and forestry
- Responsible sourcing of scrap addressed separately – driving progress

5 criteria for responsible sourcing

1. Commit to responsible sourcing
2. Know your upstream supply chains
3. Understand supplier ESG performance
4. Strengthen and account for responsible sourcing
5. Report publicly on responsible sourcing

These criteria enable 4 Levels of ‘certified steel’
ResponsibleSteel V2.0

New requirements on GHG
RS V2.0 enables customer to review GHG intensity of steel in two forms

1. **ResponsibleSteel V2.0 embodied GHG intensity value:**
   - Compares like with like *from mine to crude steel*,
   - Similar boundary to IEA
   - Rewards and drives decarbonization across global industry
   - 4 levels of decarbonisation at every % scrap input
   - Uses annual GHG data at site level
   - Drives improvement of upstream data quality
RS V2.0 enables customer to review GHG intensity of steel in two forms

1. **ResponsibleSteel V2.0 embodied GHG intensity value:**
   - Compares like with like *from mine to crude steel*
   - Rewards and drives decarbonization across global industry
   - 4 levels of decarbonisation at every % scrap input
   - Uses annual GHG data at site level
   - Drives improvement of upstream data quality
RS V2.0 enables customer to review GHG intensity of steel in two forms

1. **ResponsibleSteel V2.0 embodied GHG intensity value:**
   - Compares like with like *from mine to crude steel*
   - Rewards and drives decarbonization across global industry
   - 4 levels of decarbonisation can be attained at every % scrap input
   - Uses annual GHG data at site level
   - Drives improvement of upstream data quality
RS V2.0 enables customer to review GHG intensity of steel in two forms

1. **ResponsibleSteel V2.0 embodied GHG intensity value:**
   - Enables comparative consistent measurement *from mine to crude steel*
   - Rewards and drives decarbonization across global industry
   - 4 levels of decarbonisation can be attained at every % scrap input
   - Uses annual GHG data at site level, certification lasts 3 years
   - Drives improvement of upstream data quality
   - Guidance on credible claims are critical

Breakthroughs: 100-500mt near zero steel by 2030
MPP: 170mt near zero steel by 2030

≈ 170mt ResponsibleSteel Level 4
≈ 500mt ResponsibleSteel Level 2
RS V2.0 enables customer to review GHG intensity of steel in two forms

1. **ResponsibleSteel V2.0 embodied GHG intensity value:**
   - Compares like with like from mine to crude steel
   - Rewards and drives decarbonization across global industry
   - 4 levels of decarbonisation can be attained at every % scrap input
   - Uses annual GHG data at site level, reassessed every 18 mths
   - Drives improvement of upstream data quality

2. **Product Carbon Footprint: provides embodied GHG value of product by category**
   - Enables comparison of one producer with another for each product
   - Uses LCA data on production GHG emissions + reference factors
Ecosystem of steel decarbonization initiatives

Urgent need to converge on standards

Drivers for low emissions and near zero steel

- Company ambition
- Demand – private sector
- Demand - public sector
- Financial institutions
- Policy makers

How to measure and target it?
- CLIMATE GROUP STEELZERO
- First Movers Coalition

How to measure it?
- GREEN PUBLIC PROCUREMENT
- INDUSTRIAL DEEP DECARBONISATION

How to measure it and pledge it?

How to track portfolio progress and risk?

How to harmonise and level the playing field?

Lack of consistency, comparability in GHG emissions across steel industry

International standard + assurance
What’s next?

- Develop **Claims Guidance** for steel certification
- 12 month **Test Phase** on critical elements of V2.0
- Roll out ResponsibleSteel in India, N America, E Asia
- Develop the standard further – downstream processes and chain of custody, stainless
- Work with partners to strengthen the market drivers for responsible decarbonisation and alignment
Forum III
Shaping the Future of responsible steel

30-31 Oct - 1 Nov 2022
The Peabody Hotel
Memphis, TN, USA

To register, visit
https://www.responsiblesteel.org/events/
Additional slides
RS V2.0 enables customer to review GHG intensity of steel in two forms

- **Direct (Scope 1) GHG emissions**
  - Process GHG
  - Product processing GHG

- **Indirect GHG emissions**
  - Upstream GHG
  - Energy GHG

**Product Carbon Footprint** provides embodied GHG value of product by category.

ResponsibleSteel V2.0 embodied GHG intensity of crude steel.
RS V2.0 enables customer to review GHG intensity of steel in two forms

- **Indirect Upstream GHG**
- **Indirect Energy GHG**
- **Direct Process GHG**
- **Product processing GHG**

ResponsibleSteel V2.0 embodied GHG intensity value of crude steel

Product Carbon Footprint provides embodied GHG value of product by category
ResponsibleSteel approach to defining common thresholds of embodied GHG
ResponsibleSteel approach to defining common 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 global average
c. Revise global average downward over time

y-axis: CO₂ intensity, Scope 1–3, t-CO₂/t-liquid steel
x-axis: external scrap steelmaking charge, %
ResponsibleSteel GHG emissions intensity performance levels

- Allows for technology shifts
- 4 threshold levels designed to demonstrate progress on decarbonisation at every % scrap (due to limits in global scrap)
- Level 1 threshold will become more demanding over time
- Level 4 = ‘near zero’
- Steel certification = GHG threshold levels + published product carbon footprint data

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