Responsible™ Steel | standards & certification

ResponsibleSteel™

27th February 2020

- Customers, stakeholders, and governments increasingly expect businesses to take responsibility for their social and environmental impacts, up and down supply chains

Risk & Opportunity

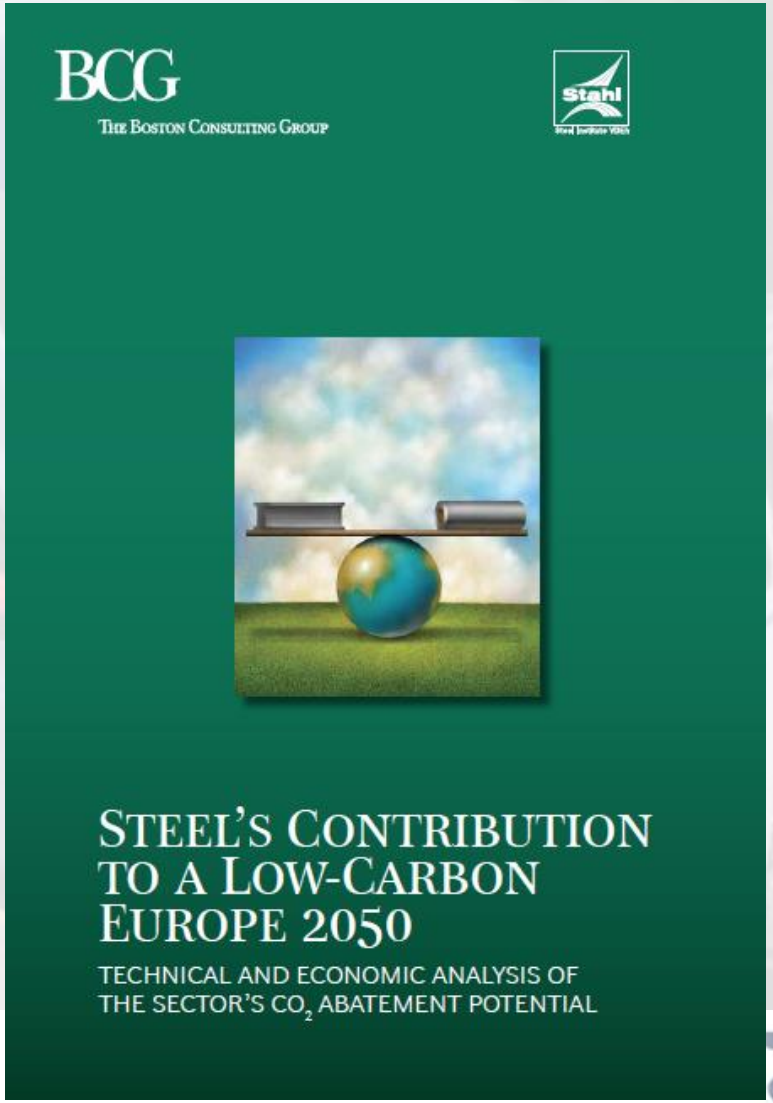
Hundreds feared dead as Brazil dam collapse releases mud tide

Vale posts $1.6bn loss following deadly dam disaster

Brazil dam collapse: five arrested including three mining firm staff

Three employees of Vale and two subcontracted engineers held over Brumadinho disaster

▲ Rescuers sift through toxic mud in search of Brazil dam victims – video report



NO COMPROMISES. EVERYTHING FOR DRIVING PLEASURE WITH ZERO EMISSIONS.

Sustainability of the new BMW i3 and the new BMW i3s.

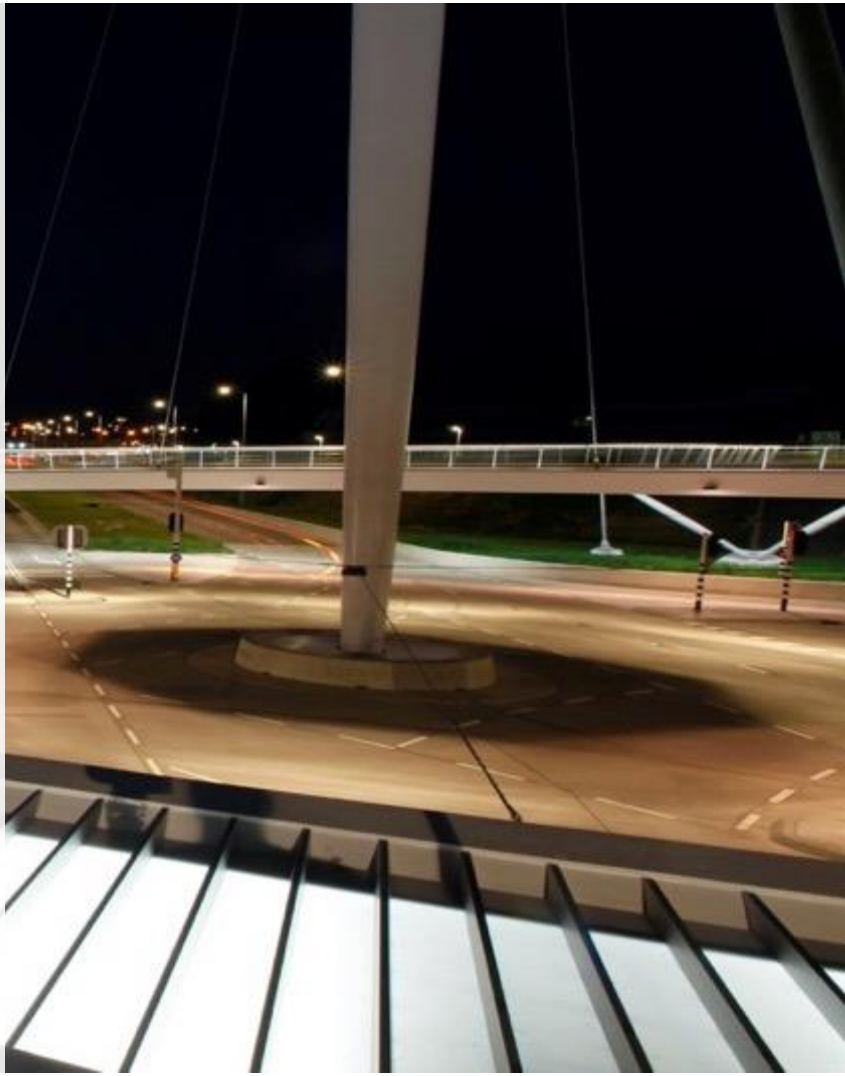
View film

The BMW i3 embodies a new attitude towards mobility. It is based on a unified approach revolving around the vehicle at all stages, including development, production, and recycling. Many of the materials are made of renewable resources - and the BMW i3 is manufactured with 100% energy from renewable sources. Driving pleasure can't feel any better.

ENDLESS ADDED VALUE.

Sustainability isn't just a word for BMW i. It's the highest guiding principle. Therefore, t entire life cycle of the BMW i3 is structured around the principle of maximum resource conservation and sustainability.

Other material sector responses



Audi Receives First-Ever Downstream Aluminium Certification From ASI

BUSINESS EUROPE NEWS SUSTAINABILITY

Source: Wikimedia

13 OCTOBER 2018 BY STAFF

RioTinto

Our business | Investors | Careers | Media | Our commitment | About u

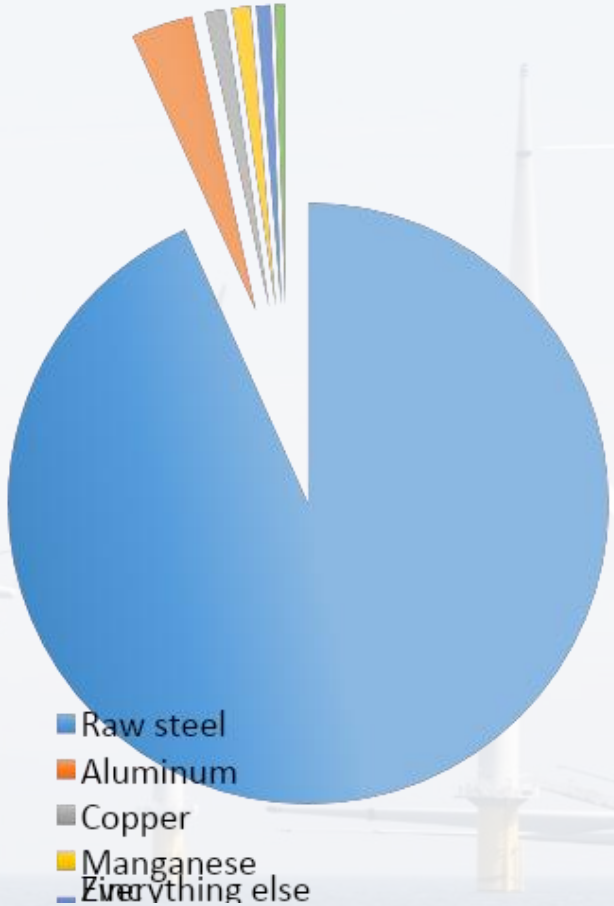
Global home > Our commitment > Spotlight > How can a bike be even better for the environment?

How can a bike be even better for the environment?

Make it with aluminium that is certified by the Aluminium Stewardship Initiative.

Steel is big

- 93% of all metal produced annually
- 2.8 billion tonnes of iron ore
- 10% of coal
- 20% of tin and tungsten, 60% of nickel and zinc, 75% of chromium, 85% of manganese and vanadium for steel alloys and coatings
- 6 million workers
- critical material for: infrastructure, construction, automotive, shipping, oil & gas, renewable energy, consumer goods…
- 7-9% of global GHG emissions



Strategic requirements

- Must create value
- Must address needs of customers, regulators, investors and other stakeholders
- Must cover:
  - Key social/ environmental issues
  - All raw materials
  - All production methods
  - All kinds of steel

Sources of value

- Sustainability performance
- Customer specifications
- Public procurement specifications
- Legal compliance
- Policy preparedness
- Green finance
- Brand value
- Statements, claims & reporting
- Civil society support
- Risk mitigation

ResponsibleSteel™

Business

- International
- Not for profit
- Multi-stakeholder
- Membership organisation

Civil society


ACRS
afnor CERTIFICATION
aperam
ANGLO AMERICAN
ArcelorMittal
AUSTRALIAN STEEL INSTITUTE
AURA FINANCIAL
BETTER COAL
BLUESCOPE
BMW
CARES
CATF
CLEAN AIR TASK FORCE
CDP
DISCLOSURE INSIGHT ACTION
DAIMLER
EUROPEAN OUTDOOR GROUP
EGGA
European General Galvanizers Association
Exova
BMTRADA
FAUNA & FLORA INTERNATIONAL
DNV·GL
HARSCO
Responsible Steel
standards & certification
industriall
global union
HBM GROUP
International Company Solutions
EQUITABLE ORIGIN
HERA
HSBC
international zinc association
IRMA
Initiative for Responsible Mining Assurance
IUCN
LEVIN SOURCES
MERG
MIGHTY EARTH
outokumpu
high performance stainless steel
MINERÍA RESPONSABLE CONSULTORES
The Mining Association of Canada | L'association minière du Canada
INSTITUTE OF GEOGRAPHY
Russian Academy of Sciences
PACIFIC INSTITUTE
SAS GLOBAL
REAL TIME
REAL TIME QUALITY MANAGEMENT SERVICES
sourcemap
THE CLIMATE GROUP
TRG
Track Record Global
UNIVERSITY OF WATERLOO
VAMA
Valin ArcelorMittal Automotive Steel
voestalpine
ONE STEP AHEAD.
WE MEAN BUSINESS

Governance

Board of Directors: 3+3+3

- Alan Knight, ArcelorMittal (Co Chair)
- Gerry Tidd, BlueScope (Co Chair)
- Francis Sullivan, HSBC (Deputy Chair)

- Giulia Carbone, IUCN
- Thomas Maddox, Fauna & Flora International
- Matthias Hartwich, IndustriALL

- Andrew Marjoribanks

- Matthew Wenban-Smith (Executive Director)

- Board of Directors
- Finance & Business Planning Committee
- Membership & Governance Committee
- Standards & Assurance Committee
- Brand & Claims Committee

- Francis Sullivan (Chair)
- Gerry Tidd
- Matthew Wenban-Smith

- Thomas Maddox (Chair)
- Matthias Hartwich
- Andrew Marjoribanks

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- Alan Knight
- Giulia Carbone

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- Andrew Marjoribanks
- …

ResponsibleSteel™ Vision and Mission

Our Vision

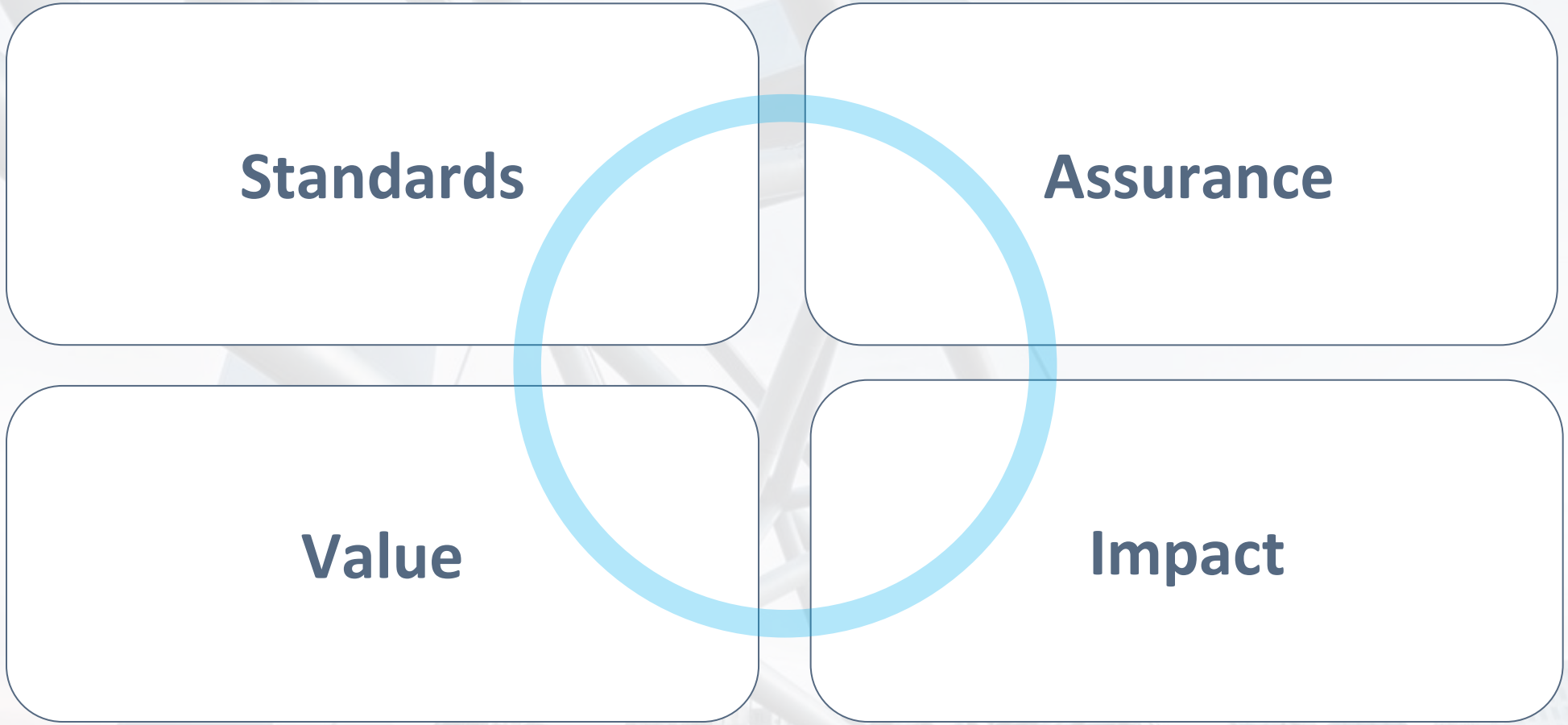
Steel's contribution to a sustainable society is maximised

Our Mission

To enhance the responsible sourcing, production, use and recycling of steel by:

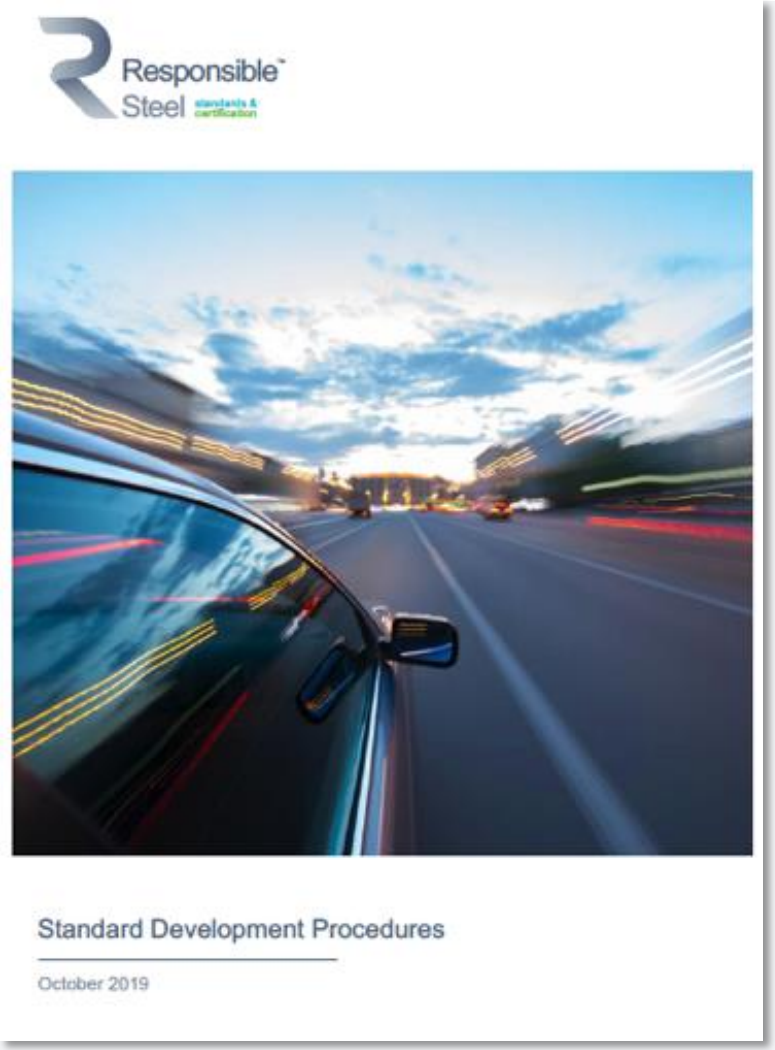
- Providing a multi-stakeholder forum to build trust and achieve consensus;
- Developing standards, certification and related tools;
- Driving positive change through the recognition and use of responsible steel.

All of these elements are important, but ResponsibleSteel™ will focus first on the responsible sourcing and production of steel


Standards
Assurance
Value
Impact

ResponsibleSteel™ Standards: 12 Principles

1. Corporate Leadership
2. Social, Environmental and Governance Management Systems
3. Occupational Health and safety
4. Labour rights
5. Human rights
6. Stakeholder Engagement and Communication
7. Local communities
8. Climate Change & Greenhouse Gas emissions
9. Noise, emissions, effluent and waste
10. Water stewardship
11. Biodiversity
12. Decommissioning & closure



Sourcing, Site and Steel Product Certification

ResponsibleSteel™ will rely on **credible, third party mining assurance schemes** to provide mine site certification

ResponsibleSteel™ site certification is about auditing the responsible business practices of steel making sites

ResponsibleSteel™ steel product certification and claims is about driving demand for responsibly sourced, low GHG steel products produced at ResponsibleSteel™ certified steel making sites

ResponsibleSteel™ Standards

2019

Requirements for site certification and claims

2020

Requirements for ‘steel product’ certification and claims:

- Raw materials working group
- GHG working group
- Product claims working group

2021

End-product specific claims?

Working Group 1: Raw materials sourcing

Issues:

- Criteria for the recognition of mine-level assurance systems
- Recognition of different levels of performance by mine sites
- Supply chain mapping
- Intermediate processing (e.g. coke making, zinc smelting…)
- Artisanal and small-scale mining (ASM)
- Traceability: a) from mine to steelmaker, b) within steelmaking sites
- Scrap metal
- Prioritisation
- Threshold requirements
- …

Working Group 2: Greenhouse Gas Emissions

Site certification requirements:

C8.1	Corporate commitment to achieve the goals of the Paris Agreement
C8.2	Corporate Climate-Related Financial Disclosures
C8.3	Site-level GHG emissions measurement and intensity calculation
C8.4	Site-level GHG reduction targets and planning
C8.5	Site-level GHG emissions reporting and disclosure

Steel product certification requirements:

C8.6	GHG emissions intensity of steelmaking: performance threshold(s)

Photo: worldsteel / Gregor Schläger

Working Group 3: steel product claims

Issues:

- Single label / claim?
- Tiered labels / claims?
- Additional data?

Responsible Steel™ CERTIFIED STEEL RSC117990

Responsible Steel™ CERTIFIED PRODUCT Level 1 RSC117990

Responsible Steel™ CERTIFIED PRODUCT Level 2 RSC117990

Responsible Steel™ CERTIFIED PRODUCT Level 3 RSC117990

Tiered

Responsible Steel

ResponsibleSteel™ Assurance Programme

2019

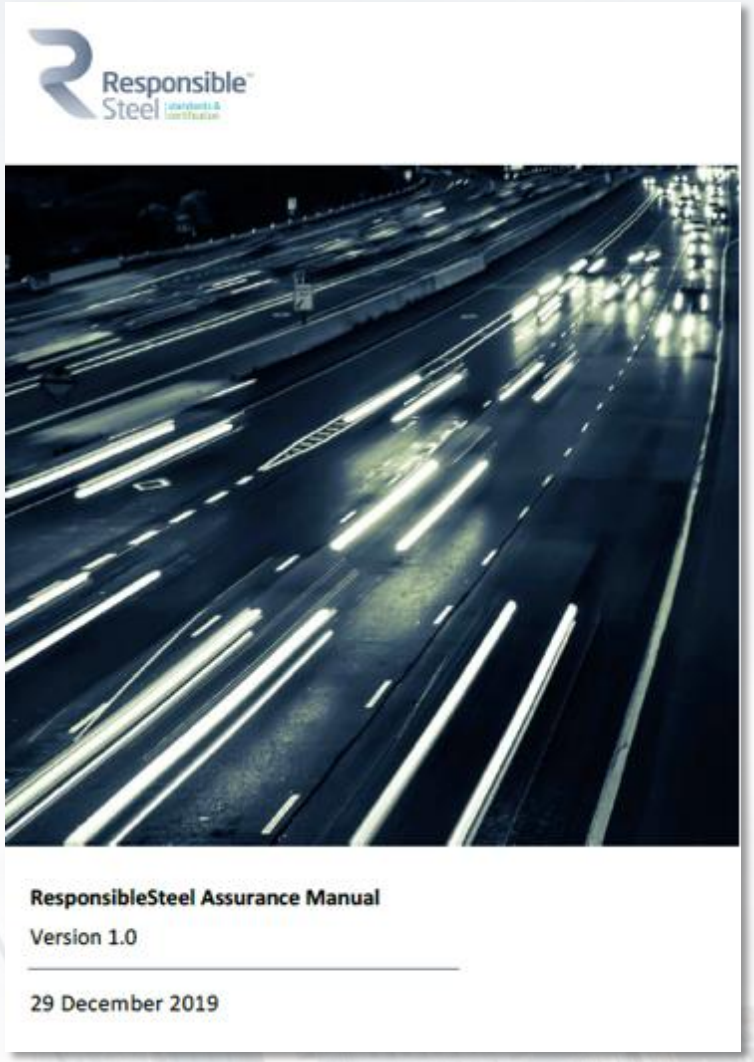
- Assurance Manual approved
- Auditor training

2020

- 3rd Party Certification Bodies approved
- Assurance Panel established
- First site audits
- First site certificates

2021

- First steel product certificates



Value: ResponsibleSteel™ Brand Development

2020

2021

- Logo pack
- Claims
- Collateral

- Logo pack
- Claims
- Collateral

Value: ResponsibleSteel™ Recognition and Demand

2020:

- Responsible Steel Buyers Alliance
- Alignment with WEF/ETC Mission Possible programme
- UN SDG alignment

Mid-term, seek downstream recognition/ alignment:

- DriveSustainability
- US GBC – LEED
- BREEAM
- Railsponsible
- Public procurement
- Transition Bonds
- …

Responsible Steel standards & certification

Impact

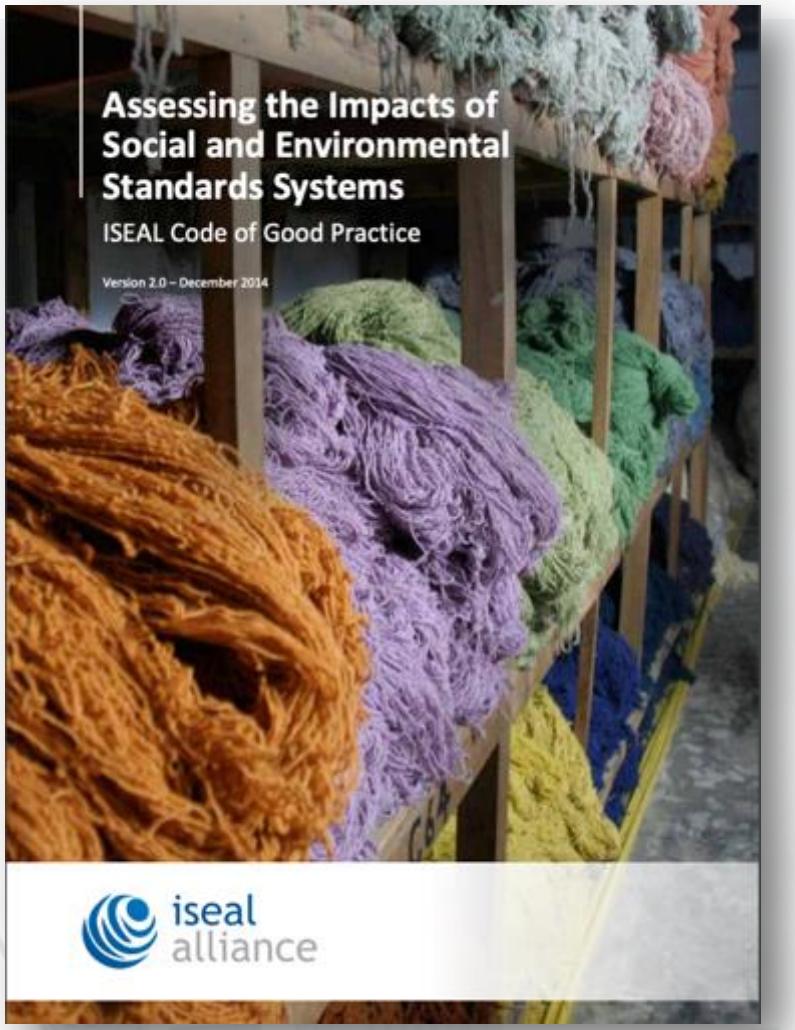
2020

Define key impact/ effectiveness measures:

- E.g. share price of business members
- GHG transition measures
- Responsible sourcing
- …

2021

- Monitor change over time…



Thank you

www.responsiblesteel.org