

ResponsibleSteel International Production Standard v2.1.1 Interpretation #2

Principle 10: Approach to climate transition plans

Version 1.0 – 18th December 2025

Introduction

The ResponsibleSteel International Standards Development Procedure v3.0 allows for the provision of interpretations.

...11.1.1 The Secretariat may determine that there is a need for a clarification or interpretation of a ResponsibleSteel International Standard: ...

*b. An interpretation provides guidance on the application of a requirement **where the correct meaning is not clear from existing guidance, context or other sources of information.** Interpretations require stakeholder consultation prior to finalisation...*

Accordingly, the ResponsibleSteel Secretariat has prepared an interpretation in response to a request from key stakeholders (namely Certificate Holders and auditors) to clarify how a corporate's climate transition plan should be assessed in a period of uncertainty. This need has emerged as companies are approaching 2030, and the likelihood of achieving the near-term emissions reduction targets is increasingly uncertain due to the inability to carry out decarbonisation plans as intended. Some of the responsibility for the lack of progress can be attributed to structural barriers, such as slower technology maturity rates, unsupportive and/or uncertain policy, inaccessible finance, and/or lack of demonstrated demand (willing to pay a green premium). Accordingly, many companies are re-assessing their decarbonisation strategies to achieve a fairer balance between ambition and feasibility, especially in the near-term given the current enabling environment.

Written in 2019 without the ability to foresee the compiling challenges in decarbonising the steel sector observed in 2025, the standard's requirements fall short on clearly addressing the:

1. Temporal expectations for the review and update of corporate decarbonisation strategies, pathways and targets;
2. Expectations on how to demonstrate corporate-level ambition;

3. Expectations on how to demonstrate effective implementation of the strategy when operating in uncertainty, and;
4. Expectations on how to demonstrate site-level GHG emissions reduction targets when the interdependent corporate-level targets have changed.

This provisional interpretation will be subject to stakeholder consultation during the next revision of the ResponsibleSteel International Production Standard, and, where appropriate, incorporated into the next version of the standard (as per 11.3.9 of the ResponsibleSteel International Standards Development Procedures v3.0).

Implementation timelines

Effective date: 1st April 2026

All audits (including initial certification, surveillance and re-certification) that commence Stage 1 on or after 1st April 2026 must use this interpretation.

Where it is agreed between the site and the auditor, the interpretation is available for use from the date of publication.

Certificates issued correctly on the basis of a provisional interpretation shall remain valid for their normal remaining duration (as per 11.3.8 of the ResponsibleSteel International Standard Development Procedure v3.0).

Interpretation

The interpretation has been grouped into four key issues to address core aspects of Principle 10 related to climate transition plans. For each issue, the intention, considerations and interpretation are outlined in the table below.

The interpretation relates primarily to aspects of:

- Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement
- Criterion 10.5: Site-level GHG emissions reduction targets and planning

The original requirements and guidance material are included as annexes:

- Annex A: Criteria 10.1 & 10.5 from the ResponsibleSteel International Production Standard, v2.1.1
- Annex B: Guidance Material for Criteria 10.1 and 10.5

#	Intention	Considerations	Interpretation
1	Issue 1: Unclear temporal expectations for the review and update of corporate decarbonisation strategies, pathways and targets		
	Timely reviews and updates of the strategy, to ensure performance is in line with expectation	<p>There is a need to clarify the expectations for the:</p> <ul style="list-style-type: none"> Frequency of regular reviews of the strategy (in 10.1.3) and documenting of the findings (as required in 10.1.4). Circumstances under which an update to strategy would be expected (as required in 10.1.4). Timing of updates of the strategy to take account of the review findings (as required in 10.1.4). Following any updates to the strategy (in 10.1.3), timing of the public disclosure of the corporate owner's updated long-term emissions reduction pathway and medium-term emissions reduction target(s) (as required in 10.1.2). 	<p>1.1 (re 10.1.4) Regular reviews shall be completed at least every 12 months.</p> <p>1.2 (re 10.1.4) Updates to the strategy may be deemed necessary if there are significant deviations from the original plan identified during the review in terms of actions, dependencies, and/or the decarbonisation trajectory.</p> <p>1.3 (re 10.1.4) If determined to be necessary in the review, the corporate strategy shall be updated within 24 months of the completion of the review.</p> <p>1.4 (re 10.1.2) Public disclosure of revised decarbonisation pathway and emissions reduction targets shall be within 12 months of the completion of the strategy update. Note that the strategy itself does not need to be publicly disclosed.</p>
2	Issue 2: Unclear expectations on how to demonstrate corporate-level ambition		
	To promote credible corporate decarbonisation strategies, which achieve a balance between	<p>10.1.1. makes reference to emissions reduction pathways for the steel industry as a whole that are compatible with achieving the goals of the Paris Agreement. This is considered to include the IEA's Net Zero Emissions scenario, Mission Possible Partnership's Carbon Cost and Technology Moratorium scenarios, Net Zero Steel Project's medium scenario, among others which are similar in ambition (1.5°C or well below 2°C). Each model is underpinned by a</p>	<p>2.1 (re 10.1.2) Recognition of a sector-wide decarbonisation pathway is required, as well as written acknowledgement of the pathway's fundamental assumptions. If the corporate's own decarbonisation pathway does not match the sector's pathway, the corporate must explain why.</p> <p>2.2 (re 10.1.3) Within the strategy, the corporate must connect identified conditions for successful implementation to specific actions. Where the conditions are within the corporate's direct control, the corporate must assign direct actions in relation to each. Where the conditions are outside the</p>

#	Intention	Considerations	Interpretation
	ambition and feasibility	<p>range of assumptions, including technology diffusion, carbon prices, consumer demand and scrap availability which may not accurately represent the current enabling environment. Sector-wide pathways should be used as guidance tools, not a blueprint for setting decarbonisation trajectories.</p> <p>There is a need to clarify the expectations for:</p> <ul style="list-style-type: none"> • The relationship between the corporate owner's decarbonisation pathway and emissions reduction targets and that of the steel industry as a whole, which the corporate has ascribed to (as required in 10.1.1 & 10.1.2). • The decarbonisation strategy's dependencies, given that the corporate owner must identify the conditions that would need to be in place to successfully implement the strategy, as well as the specific actions (including policy engagement) that it is committed to taking to help bring these conditions about (as required in 10.1.3). • Demonstrating that the corporate's decarbonisation pathway and emissions reduction targets meet the required ambition to achieve the goals of the Paris Agreement (as required in 10.1.2). 	<p>corporate's direct control, the corporate must show how it is influencing those conditions.</p> <p>Conditions outside the corporate's control may include societal, economic and political conditions that could limit access to resources and opportunities for progress.</p> <p>2.3 (re 10.1.2) To demonstrate ambition, the existing guidance material for 10.1.2 is sufficient in addition to the clarifications below:</p> <ul style="list-style-type: none"> • If the net zero emissions target exceeds 2050, justification must be made of how the corporate's cumulative carbon budget will be constrained over the timeline to align with 'well below 2°C' outcomes. • Validated targets against the SBTi Steel Sectorial Decarbonisation Approach, or the sector-agnostic linear contraction approach may be accepted. • Quality should be assessed in terms of supporting information to justify the targets; coverage of the target should be assessed in terms of the emissions boundary and scope inclusions.

#	Intention	Considerations	Interpretation
3	Issue 3: Unclear expectations on how to demonstrate effective implementation of the strategy when operating in uncertainty		
	Recognise systemic contributions to the enabling environment that have not yet delivered real emissions reductions	<p>There is ambiguity in the feedback loops between the review of the strategy (10.1.4), update of the strategy as required based on findings of the review (10.1.4), renewed identification of the necessary conditions for successfully implementing the strategy as well as the specific actions (10.1.3) and effective implementation of the strategy (10.1.5). The review-update-implement cycles of the decarbonisation strategy need to be more clearly defined.</p> <p>There is a need to clarify the expectations for how effective implementation of the decarbonisation strategy should be assessed (as required in 10.1.5) especially when the declared conditions have unfavourably shifted and specified actions within the strategy have not been carried out as planned (as defined in 10.1.3).</p>	<p>3.1 (re 10.1.5) Effective implementation should be firstly assessed based on quantitative emissions reductions. If the corporate's actual emission reductions are <i>less than</i> the corporate's published decarbonisation pathway, a gap analysis is required to quantify the difference between implementation and ambition.</p> <p>The corporate must identify emissions reduction strategies that are within its direct control and explain how it is taking action to realise these, delivering actual emissions intensity improvements (e.g. energy efficiency improvements, renewable energy procurement through market-based instruments, material/fuel substitutions with low carbon alternatives and investments in new technologies).</p> <p>3.2 (re 10.1.5) Qualitative measures of progress may additionally be considered to demonstrate progress according to the published decarbonisation pathway. They should be clearly justified and evidenced by the corporate to demonstrate actions or engagements and the intended positive impact on decarbonisation outcomes. For example, lobbying in favour of climate-forward policies or investment in pilot projects to upscale emerging near-zero emissions technology. The nature of the evidence will be dependent on the size, complexity and location(s) of the company's operations.</p>
4	Issue 4: Unclear expectations on how to demonstrate site-level GHG emissions reduction targets when the interdependent corporate-level targets have changed		
	Ensure the site at least meets the corporate's average decarbonisation trajectory	Given the binding relationship between a corporate and its sites, and the overlaps in the respective climate transition plans, there is a need to clarify the expectations for:	4.1 (re 10.5.1) The medium-term emissions reduction target for the site (or portfolio of sites) must be equal to or better than that of the corporate. Accordingly, if the corporate's decarbonisation pathway and medium-term emissions reduction target is updated, so should be that of the site (or portfolio of sites).

#	Intention	Considerations	Interpretation
		<ul style="list-style-type: none"> • Demonstrating the medium-term target to reduce GHG emissions at 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 reduction target across all of its sites, as specified under 10.1.2 (required in 10.5.1). • Updating the site-level plans where appropriate (required in 10.5.4). • Public reporting and on a regular basis on the progress towards achieving these medium-term targets for the site or defined portfolio of sites (required in 10.5.5). 	<p>4.2 (re 10.5.4) To align with the corporate-level temporal expectations, site-level plans should be updated following annual reviews, when deviations from the original plan are identified in terms of actions, dependencies, and/or the decarbonisation trajectory.</p> <p>4.3 (10.5.5) Public reporting on a "regular basis" on the site's progress towards achieving the medium-term targets is at least every 3 years. This period aligns with the validity of ResponsibleSteel certificates since this requirement is directly connected to 10.7.1.d which mandates for publication on the ResponsibleSteel website <i>the time-specific medium-term targets for GHG emissions for the site or the defined portfolio of sites as determined to meet the requirements of 10.5.1 and 10.5.2</i></p>

Annex A: Criteria 10.1 & 10.5 from the ResponsibleSteel International Production Standard, v2.1.1

	<p>Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement</p> <p>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 achieving the goals of the Paris Agreement, with an aspiration to achieve net-zero GHG emissions through work with policymakers and others.</p>	<div>Core</div>
<p>10.1.1.</p>	<p>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 achieving the goals of the Paris Agreement, and which includes:</p> <ul style="list-style-type: none"> a) Explicit projections of long-term steel consumption a) Explicit projections for the production and use of both primary and scrap steel, and the associated GHG emissions b) Explicit assumptions in relation to the public policy and other key conditions that it is based on. 	
<p>10.1.2.</p>	<p>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 whole corporation. That pathway and the medium-term target(s) are compatible with the long-term emissions reduction pathway it ascribes to for the steel industry, as well as the projections for the production of primary and scrap steel, as applicable to its own portfolio of sites.</p>	
<p>10.1.3.</p>	<p>The site's corporate owner has a credible, documented strategy for achieving its corporate-level GHG emissions target(s), outlining the timeline for change across its whole portfolio of sites. The corporate owner has also identified the conditions that would need to be in place to successfully implement the strategy, as well as the specific actions (including policy engagement) that it is committed to taking to help bring these conditions about.</p>	
<p>10.1.4.</p>	<p>The corporate owner regularly reviews the implementation of its strategy, documents the findings of its review, and updates the strategy to take account of those findings.</p>	
<p>10.1.5.</p>	<p>The review shows that the corporate owner is implementing its strategy effectively over time.</p>	
	<p>Criterion 10.5: Site-level GHG emissions reduction targets and planning</p> <p>The site has a medium-term GHG emissions reduction target and plan that is aligned with achieving the corporate owner's corporate-level GHG emissions target(s).</p>	<div>Core</div>
<p>10.5.1.</p>	<p>There is a time-specific, medium-term target to reduce GHG emissions at the site, or defined portfolio of sites, that is at, or below, the trajectory required for the corporate owner</p>	

	<p>to achieve its medium-term GHG emissions reduction target across all of its sites, as specified under 10.1.2.</p> <p>For steelmaking sites, the target is defined in terms of the GHG emissions intensity of crude steel production (metric tonnes of CO₂e/metric tonne crude steel).</p>
10.5.2.	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 associated GHG emissions are significant.
10.5.3.	<p>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 10.5.1 and 10.5.2. The plans include:</p> <ul style="list-style-type: none"> a) Time-specific milestones for each target, from present day through to achieving the medium-term target levels b) Explicit calculation of the quantity of direct GHG (CO₂e) or CO₂ emissions that the site needs to reduce in order to achieve the target(s) specified under 10.5.1 c) 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. For example, whether upstream indirect (Scope 3) GHG emissions are considered, and how any emissions associated with the site's products, co-products, by-products or waste will be taken into account d) Details of the technology, equipment, management system changes or other options needed to achieve the targets over time e) An outline of the costs of installing any specified technology or equipment f) An explanation of how the site intends to finance the proposed technology or equipment g) Consideration of the external conditions that will need to be in place to successfully implement the plan, or the conditions that might prevent successful implementation.
10.5.4.	Progress on implementing the plan is monitored and regularly reported to the site's board or equivalent oversight body, including an explanation of relevant issues, such as changes to production in response to market conditions, closures for repairs or other significant factors. Where appropriate, the plans are updated.
10.5.5.	The medium-term targets for the site or defined portfolio of sites, as specified under 10.5.1 and 10.5.2, and progress towards achieving these targets, are reported publicly and on a regular basis.

Annex B: Guidance Material for Criteria 10.1 and 10.5

The corresponding Guidance Material currently available in the ResponsibleSteel Guidance and Annexes v1.4

Guidance material for 10.1

(10.1.1) 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.

(10.1.1) Long-term in this context means a time horizon of 15 to 35 years.

(10.1.2) Medium-term in this context means a time horizon between 5 and 15 years from the present time.

(10.1.1, 10.1.2) 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 still 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.

(10.1.2) A technically justified and publicly accessible 2050 net zero emissions target supported by a medium- and long-term transition pathway for the company would be sufficient to meet the requirements of 10.1.2. A science-based target (SBT) validated by the SBTi (Science Based Targets initiative) would be sufficient to meet the medium-term requirements of 10.1.2. 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.

(10.1.3) Specific actions may also include investments at the corporate or site levels, R&D, 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, supply chain collaborations, etc.

Guidance material for 10.5

(10.5.1) Each site must have a target. The site-level target or target for the defined portfolio of sites 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 whole portfolio of sites meets the requirements of 10.5.1 to 10.5.5, and so demonstrate that in combination its sites are on track to achieve its corporate level target.

(10.5.1) The site-level target is not required to include consideration of upstream indirect (Scope 3) GHG emissions, or measures for the reduction of the site's upstream indirect (Scope 3) GHG emissions. However, sites which are planning in future to meet the requirements to market or sell their steel as ResponsibleSteel certified are recommended to consider measures for the reduction of their upstream indirect (Scope 3) GHG emissions at the earliest opportunity as the upstream indirect (Scope 3) GHG emissions will be included in the determination of the crude steel GHG emissions intensity performance for the site under the requirements of Criterion 10.4.

(10.5.1) The defined portfolio of sites must be from within the same Strategic Business Unit. The certificate applicant must be able to demonstrate that the sites within the defined portfolio are managed as a Strategic Business Unit. See the definition of Strategic Business Unit in the mandatory ResponsibleSteel Glossary.

(10.5.1, 10.5.2) the medium-term plan should cover activities planned for the following five to fifteen 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.

(10.5.2) This requirement could be met, for example, through targets for: the purchase of electricity from low or zero carbon sources, renewable energy certificates, 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 are currently limited to 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: https://energy.ec.europa.eu/topics/renewable-energy/biofuels/voluntary-schemes_en#approved-voluntary-schemes-and-national-certification-schemes).

(10.5.2) 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.

(10.5.2) 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.

(10.5.2) 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 10.5.1, the GHG emissions for this imported electricity are considered to be zero for the purpose of calculating net GHG emissions under 10.5.2.

(10.5.2) Low carbon energy procurement must be consistent with a specified, recognised international or national standard or regulation and must be publicly reported (see 10.7.1.b). Examples of recognised standards include:

The quality criteria set in the GHG Protocol Scope 2 guidance

The RE100 credible claims guidance.

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.

(10.5.3) The content of the site's plans is 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.

(10.5.3) The site's decarbonisation plans should include reference to planned blast furnace relining, where relevant.

(10.5.5) The medium-term target is reported to the ResponsibleSteel Secretariat under Requirement 10.7.1.d for publication on the ResponsibleSteel website.

(10.5.5) Each site must have a target for the use of imported electricity (see 10.5.2). However, the target can be reported publicly as an average of the defined portfolio of sites.