



Standard Revision P10 Working Group Meeting #2

30th September 2025

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House rules



Keep your camera on



Mute your mic when you're not speaking



Raise your hand to avoid interruptions



Chatham house rules



Transcribed for note-taking



Agenda

1. Introduction of any new working group members (2 mins)
2. Reflections on last week's discussions – points of convergence & divergence + update on SBTi data (5 mins)
3. Review of current ResponsibleSteel Standard requirements (10.5, site-level transition planning) (5 mins)
4. Review of guiding principles for this revision work (3 mins)
5. What's considered "credible"? – exploring the balancing act of feasibility and ambition (12 mins)
6. A proposal for the use of DPLs in site-level transition planning (15 mins)
7. Further discussion & next steps (15 mins)

Intended Outcomes

- Define 'credibility' in the context of Climate Transition Plans (CTP)
- Explore the value of DPLs in site-level transition planning for steelmakers



Reflection on last meeting



WG meeting #1 reflections



Topic: The Paris Agreement 10 years on (focus on 10.1)

Point of Convergence

- Recognition of **structural barriers** to decarbonization, including **high costs, policy inconsistency, lack of demand signals, and trade barriers**.
- **Support for flexibility** in standards, especially through progress levels and qualitative measures.
- Agreement on the importance of **harmonizing ResponsibleSteel with existing frameworks** (e.g., SBTi, CDP, IFRS) to reduce administrative burden.
- Broad support for improved disclosure requirements to enhance **transparency and accountability**.
- Need to **drive value** for ResponsibleSteel certification and enhance the utilisation of DPLs (including understanding the value proposition for key stakeholders, e.g. steel buyers, investors).

Points of Divergence

- Mixed views on referencing **sector-wide pathways** (e.g., IEA, MPP) due to concerns about unrealistic assumptions and geographic limitations. Sector-wide pathways can be useful as directional tools, though not as strict benchmarks.
- Varied interpretations of what constitutes a **"credible" or "good" transition plan**.

Steelmaking uptake of



	SBTi commitments and targets	Near-term target (2029-2033)	Long-term target to net-zero (2038-2050)
ResponsibleSteel Members	7 (+3 removed)	3	1
Top 10 steelmakers	0	0	0
Total corporate steelmakers	33	12 (10 are 1.5C-aligned, 3 used the steel SDA)	5
Total SME steelmakers	4	4	0



Current ResponsibleSteel Standard Requirements





Criterion 10.5: Site-level GHG emissions reduction targets and planning

Core

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).

- 10.5.1. 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 to achieve its medium-term GHG emissions reduction target across all of its sites, as specified under 10.1.2.
- 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).
- 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. 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:
- 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.

Current Requirements, Criterion 10.5: Site-level GHG emissions reduction targets and planning



- 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.

Guidance Material, Criterion 10.5



Guidance:

(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.

Opportunities for Standard Improvement



Stronger links between corporate and site-level planning

- 10.5 contains a reference to 10.1.2, but it is unclear how companies demonstrate compliance to/auditors verify the site is at or below the corporate-level average
- Inconsistencies in emissions accounting methodologies
- Scope 3 not required under 10.5, but recommended in the guidance material

Decarbonisation Progress Level (DPL) references

- The value of DPL classification system could be enhanced through use in the site's decarbonisation plans

Point to best practice for credible transition plans

- The "plan" is quite general in nature, specifying:
 - Details of technology, equipment and management system changes
 - Cost of installing new technology and equipment
 - Finance strategy
 - External conditions required for success



**Prioritise the actions to improve the site-level
transition plan requirements (10.5)**

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Credibility: The balancing act of feasibility and ambition



Guiding Principles for P10 Revision

Ambition

- Paris-aligned
- Characterised by the level of commitment (science-based targets), scope (encompassing emissions boundary), and units (e.g. absolute and/or emissions intensity)
- Guides strategic actions (capital and policy alignment) and governance structures (crucial for guiding the transition)
- Ambition is necessary, but insufficient alone

Feasibility

- Likelihood of fulfilling emission reduction targets
- Materiality of emissions sources considered
- Practical steps, measurable outcomes
- Geographical and operational factors identified, characterised and planned for

Simplicity

- Easy to implement and straight-forward to audit
- Maximising opportunities for reference of existing equivalent frameworks (working towards harmonisation and interoperability)

Defining Credibility



The Climateworks Centre guide to credibility for corporate climate transition plans

- Credible transition plans are **sufficiently ambitious and feasible** for emissions reductions in line with the Paris Agreement.
- Credible transition plans are **internally consistent and integrated** into the company's broader strategy to provide confidence that the strategy will be effectively implemented.
- Credible transition plans are **comprehensive, well-maintained and verifiable** for users to make informed decisions.

A credible transition plan isn't credible because it *guarantees* success — it's credible because it's **aligned with science, transparent, measurable, governed, financed, and open to verification.**

Ambition (1.5°C / net zero) is the starting point set by the Paris Agreement/IPCC. Credibility is judged by whether the plan has the near-term actions and accountability to make that ambition *plausible*, even if ultimate success is uncertain.

Credible Climate Transition Plan inclusions

-  Public disclosure of quantitative, detailed, and time-bound interim emissions targets supporting a 2050 net-zero goal
-  Emissions targets and data must include scope 1 +2 + material scope 3
-  Independent verification of targets and emissions data
-  Explicit treatment of residual emissions and removals policy (usually for <10% of total emissions)
-  Quantified mitigation actions to near-term milestones (incl CapEx/OpEx alignment)
-  Clear board/senior management oversight, roles and responsibilities as well as review timelines
-  Public policy stance and ensure lobbying/trade association activities are consistent with the plan
-  Publication of annual progress in integrated report with regular (e.g. every 5 years) updates to the plan

Potential Climate Transition Plan Inclusions



Data Point	Currently included in ResponsibleSteel requirements?	ResponsibleSteel public disclosure requirement?	Material to steel buyers?	Material to investors?	Commercially sensitive information?
Near-term emissions reduction target	Y (site & corporate)	Y (site)	Y	Y	N
Long-term emissions reduction target	Y (corporate)	N	Y	Y	N
Inclusion of significant scope 3 emissions within targets (assuming scope 1&2 already included)	N	Y (site)	Y	Y	?
Inclusion of all GHGs	N	Y (site)	Y	Y	?
Use of emissions intensity units	N (corporate) Y (site, steelmaking only)	N	Y	Y	?
Declaration of internal & external dependencies	To a limited extent (site & corporate)	N	?	Y	?
Use of ResponsibleSteel's methodology in site-level planning	N	Y (site)	Y – for comparability purposes	Y – for comparability purposes	?
Site DPL achievement and timeline to achieve PL2/3/4	N	Y for current achievement (site, Certified Steel) otherwise, N	Y – fundamental to growing the demand	Y – fundamental to growing the demand	?



Which of the criteria for a credible transition plan must be included?
Choose all that apply.

Disclosure – what data points are material AND not commercially sensitive? Choose all that apply.

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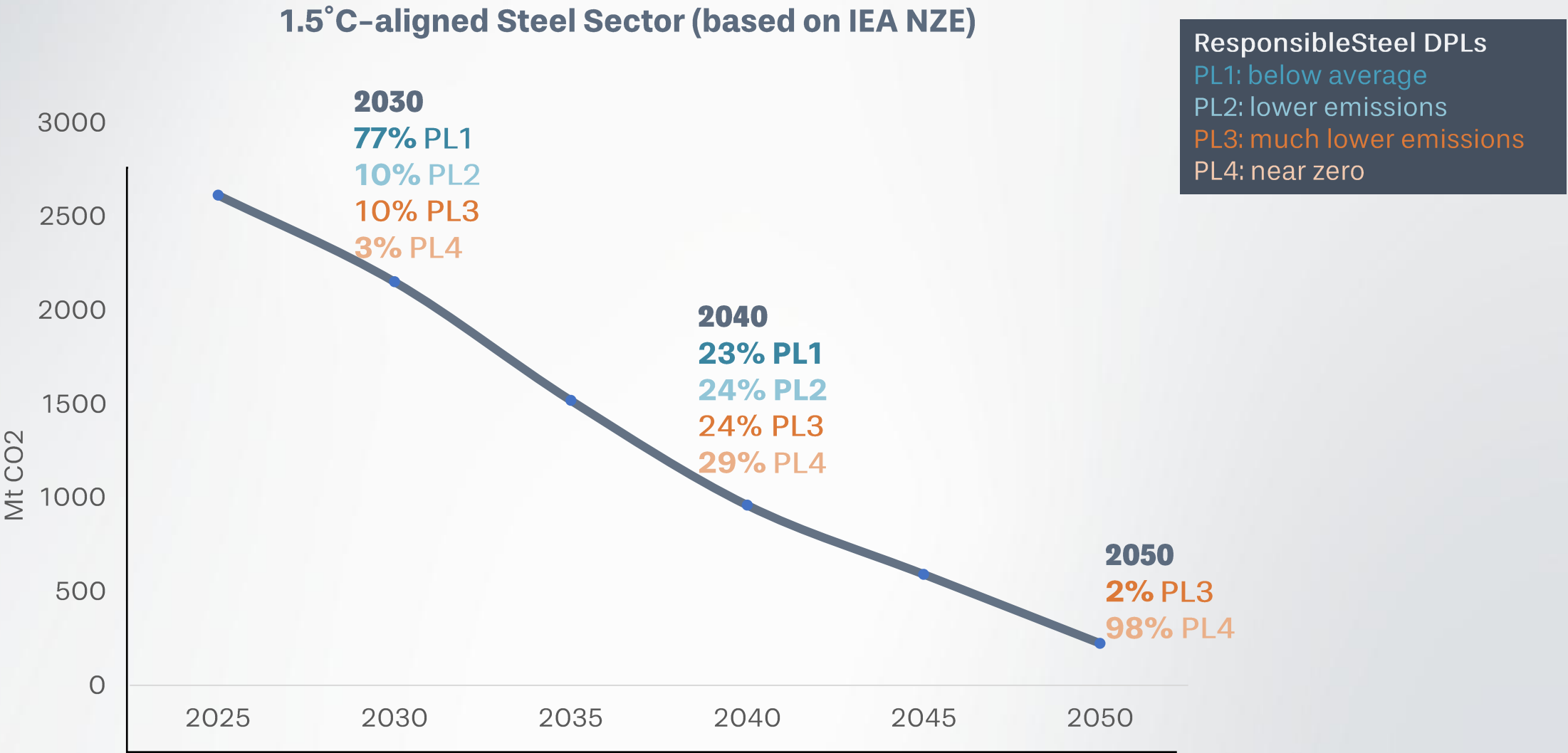
A proposal for the use of DPLs in site-level transition planning



Progress milestones on the steel sector's pathway



See [Charting Progress to 1.5C through certification, ResponsibleSteel, July 2024](#)



1.5°C-aligned Steel Sector (based on IEA NZE and MPP CC)



Example: site-level transition pathway using DPLs



Current status: PL1 achievement in 2025

Near-term target: PL2 by 2030

Long-term target: PL4 by 2050

Advantages:

- ❑ Enables comparability across steelmaking sites (requires common methodology under 10.4)
- ❑ Supports clear communication to stakeholders (could be integrated into ResponsibleSteel dashboard)
- ❑ Helps build the demand for Certified Steel

Disadvantages:

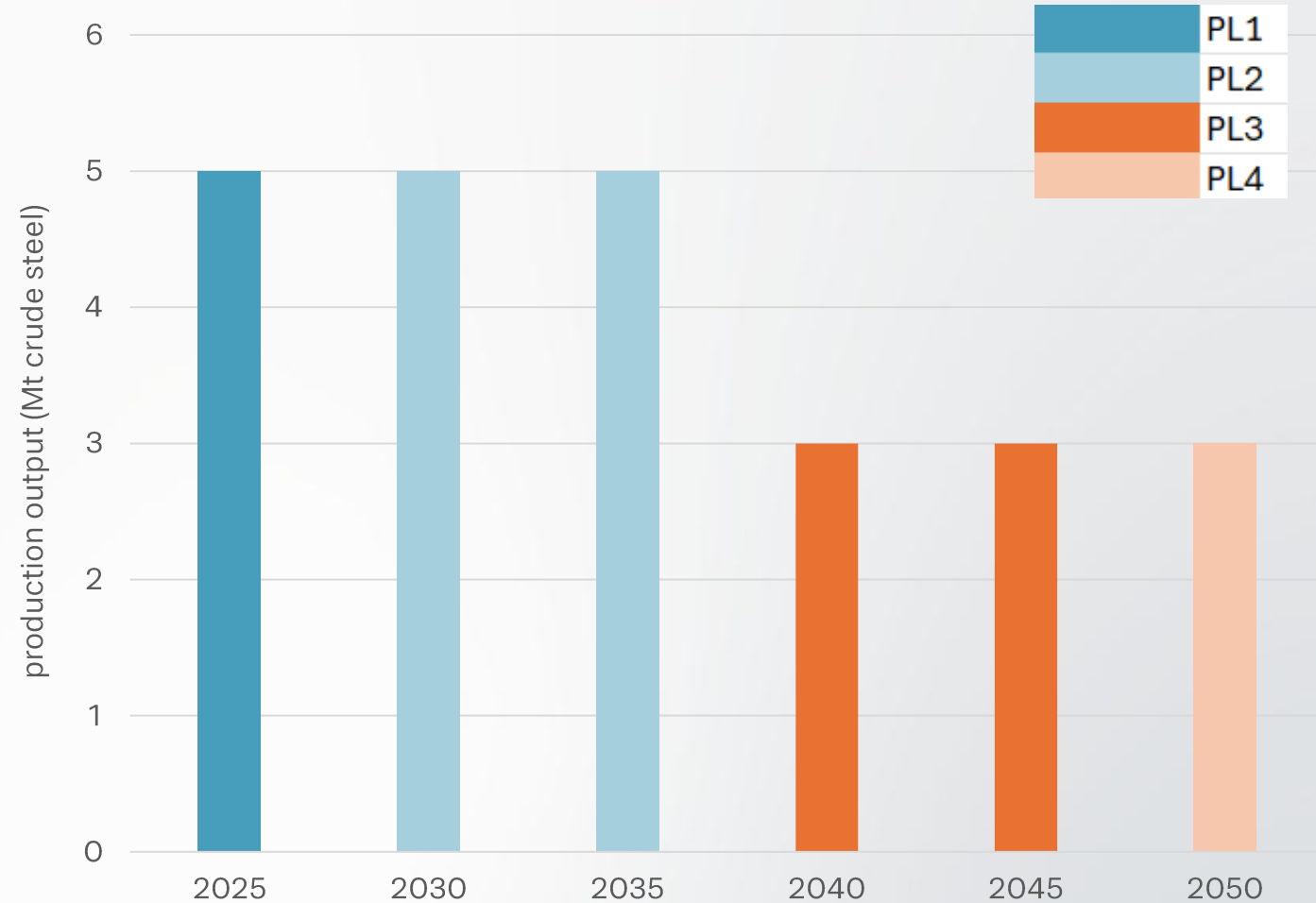
- ❖ Increased initial administrative burden

Options to overcome disadvantages:

- 10.4 accounting proforma developed to facilitate simple calculation (to build on current DPL calculator)
- Initially a recommendation, later mandatory

Note:

- DPLs are not being proposed to be integrated into corporate criteria
- We could also look at mandating a minimum PL requirement, e.g. PL1 by 2030





**Do you support the use of DPLs in site-level
transition planning:
(i) for steelmakers
(ii) for downstream sites (procurement)**

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Further Discussion & Next Steps



Discussion points

1. Credibility – what level of ambition is feasible?
2. Value – what are the material data points that underpin credible transition pathways? How does this answer differ across distinct stakeholder groups?

Task:

Review members survey on the current landscape of corporate climate transition plans

- Data collection exercise
- 1 week, until Friday 3rd October, to provide comments (directly on shared doc, "Reviewing" mode)
- then we will update the survey for the final version to be shared in the next WG meeting
- multiple choice or short free text boxes
- welcome additional finance-related Qs



Upcoming Working Group Topics

- ~~1. **Paris Agreement 10 years on** – Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement – determine best practice for climate transition planning~~
- 2. Balancing ambition and feasibility** – Criterion 10.5: Site-level GHG emissions reduction targets and planning – science-based target setting and planning
- 3. Championing accountability** – Criterion 10.2: Corporate Climate-Related Financial Disclosure + Criterion 10.7: GHG emissions disclosure and reporting – determine financial and material data points for auditor and public disclosure
- 4. Supporting consistency** – Connections between 10.1, 10.5, and 10.6, i.e. link between site-level and corporate-level transition requirements
- 5. Driving equity** – Determine whether transition plan requirements should go beyond climate

Contact us at anytime – we welcome feedback and inputs:

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