

Terms of Reference for Review and Revision of the ResponsibleSteel International Production Standard v2.0

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1. Introduction to ResponsibleSteel

ResponsibleSteel is a global, not-for-profit organisation dedicated to maximising steel's contribution to a sustainable world. As the world's first multi-stakeholder standard and certification initiative for the steel sector, ResponsibleSteel aims to create a responsible and transparent steel supply chain that upholds the highest environmental, social, and governance (ESG) standards. The ResponsibleSteel International Production Standard was first developed in 2019 to support the achievement of ResponsibleSteel's mission:

ResponsibleSteel Mission

Its mission is to be a driving force in the socially and environmentally responsible production of net-zero steel, globally. ResponsibleSteel works to do this by providing a multi-stakeholder forum to build trust and achieve consensus, developing standards, certification, and related tools, and driving positive change through the recognition and use of responsible steel.

2. About this Terms of Reference (ToR) Document

This Terms of Reference (ToR) provides an overview and framework of the process for the standard revision of the ResponsibleSteel International Production Standard. The revision process adheres to the ResponsibleSteel Standard Development Procedure v3.0 (see 12.2). For further details, please refer to [V3.0 ResponsibleSteel Standard Development Procedures 20.09.2023 FINAL.docx](#).

This document outlines some key aspects of the process, which include, but not are limited to:

- **(Section 3) Background of ResponsibleSteel programme and ResponsibleSteel International Production Standard (e.g. Intended scope and impact):**
Overview of the ResponsibleSteel program and its standard within the scope of review and revision work.
- **(Section 4) Justification and objectives of the standard revision:**
Background information on why the review and revision need to be conducted and the broader working framework and guiding principles.
- **(Section 5) Objectives of the standard and the revision process:**
- **(Section 6) Scope of the standard revision:**
Overview of the topics covered by the standard revision.
- **(Section 7) Process for the revision:**
Overview of the steps involved in the revision procedures.
- **(Section 8) Governance structure, working approach and decision-making procedure**



Description of the governance structure, approach to work, and procedures for decision making.

3. Background on the RS International Production Standard

3.1 The Intended Scope of the Standard:

According to the original ToR for the development of the ResponsibleSteel Standard (now known as the International Production Standard), the scope of application and issues covered by the standard are outlined as follows:

- The ResponsibleSteel Standard shall apply to all types of steel production, including Basic Oxygen Furnace (BOF) steelmaking and Electric Arc Furnace (EAF) steelmaking.
- The ResponsibleSteel Standard shall include requirements that address the sourcing (and where relevant aspects of processing) of raw materials that are used for the production of steel, and which have significant social and/or environmental impacts. Such raw materials include mined materials, refined metals for alloys and coatings, and pre-and post-consumer scrap metal for recycling.
- The ResponsibleSteel Standard shall include requirements that address the direct and indirect impacts of energy production for steelmaking.
- The ResponsibleSteel Standard shall include requirements that address the key societal, social and environmental issues associated with the production of steel and the sourcing of its raw materials, including Business Integrity; Greenhouse Gas Emissions; Other Emissions, Effluent and Waste; Water; Biodiversity; Human Rights; Local Communities and Indigenous Peoples; Labour Rights; Occupational Health and Safety; End of Project Closure, Decommissioning and Divestment.

3.2 Intended Sustainability Outcomes of the Standard:

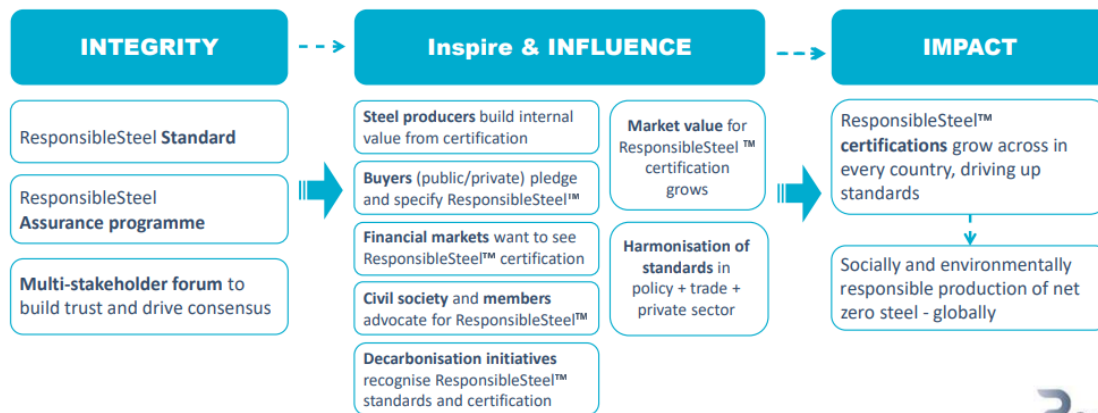
According to the ResponsibleSteel Momentum 25 strategy 2022–2025 (ResponsibleSteel, 2022), the overarching strategic mission is: **"to be a driving force in the socially and environmentally responsible production of net-zero steel, globally."** This strategy is structured around three key areas: Integrity; Inspire & Influence, and Impact.

The strategy aims to build a foundation of Integrity through high quality standards and a robust assurance programme, informed via the consensus of a multistakeholder forum; to Inspire and Influence stakeholders to endorse our mission and build value from the ResponsibleSteel Standard as the most trusted steel standard globally. This, in turn, creates market value for the ResponsibleSteel certification programme which, in the long term, drives Impact via the socially and environmentally responsible production of net zero steel – globally.

Please see a summary of the theory of change below for further details.

Theory of change summary

Our strategic mission is to be a driving force in the socially and environmentally responsible production of net-zero carbon steel, globally



ResponsibleSteel has been reviewing and revising its objectives and strategies as part of the Theory of Change revision as of December 2024. Once the updated theory of change is available, any revisions to the Intended sustainability outcomes / objectives of the standard will be incorporated into this ToR accordingly.

3.3 The Structure of the Standard and Topics

The ResponsibleSteel International Production Standard is designed to address broad sustainability issues encompassing Environmental, Social, and Governance (ESG) topics. The ResponsibleSteel International Standard consists of 13 principles covering the following key topics:

- Principle 1: Corporate Leadership
- Principle 2: Environmental, Social and Governance Management Systems
- Principle 3: Responsible Sourcing of Input Materials
- Principle 4: Decommissioning and Closure
- Principle 5: Occupational Health and Safety
- Principle 6: Labour Rights
- Principle 7: Human Rights
- Principle 8: Stakeholder Engagement and Communication
- Principle 9: Local Communities
- Principle 10: Climate Change and Greenhouse Gas Emissions
- Principle 11: Noise, Emissions, Effluent and Waste



- Principle 12: Water Stewardship
- Principle 13: Biodiversity

4. Justification of the Need for Standard Revision

Since the launch of the International Production Standard in November 2019, the industry has evolved with new technologies and the industry's context has changed dramatically with increasing regulatory requirements to address ESG elements. Version 2.0, released in September 2022, introduced new requirements on responsible sourcing and GHG emissions. To ensure the standard continues to remain relevant and effective, it must be periodically reviewed and revised to reflect necessary developments in the industry and incorporate other relevant information.

In our operation, this review process is defined in ResponsibleSteel's Standard Development Procedures v3.0 (Section 12.1.1, ResponsibleSteel's Standard Development Procedures v3.0) and the ISEAL Code of Good Practices, which mandate that standards be reviewed within a maximum of five years from their formal adoption, to determine whether the ResponsibleSteel International Standard needs to be reaffirmed, revised, or withdrawn.

The Secretariat conducted an internal standard review in 2023–2024. To achieve this, the Secretariat internally assessed all relevant data and information following the standard review process (Section 12 1.2a–f). Reviewed materials included audit report reviews, queries and requests for clarification from different stakeholders, assurance panel feedback, new developments in the sector, and the emerging legislative requirements for relevant ESG data sets. Based on the review, the secretariat proposed the six priority areas for revision, which were subsequently reviewed during a public consultation conducted over 60 days, from October 1 to December 1, 2024.

Please refer to [Consultation Paper Review and Revision of the RS Production Standard FINAL DRAFT 1.pdf](#) for further details.

To decide on revision, according to the Standard Development Procedure (Sections 12.1.2–12.1.3), the secretariat must report on findings from the standard review and public consultation. Section 6 of this ToR (Scope of the Standard Revision) will cover the reporting process for the findings of the review and public consultation, which will form the basis of the revised Standard Revision scope. This scope will then be reviewed by the board to make the final decision on the revision.

5. Objectives of the Standard and the Revision Process

The ResponsibleSteel International Production Standard was first developed in 2019. The original Terms of Reference (ToR) outlined the objective of developing the ResponsibleSteel Standard as:

"To support the achievement of ResponsibleSteel's vision: that all steel worldwide should be sourced and produced responsibly so that steel's contribution to a sustainable society can be maximised." (ResponsibleSteel's vision and mission were later revised, as outlined in Section 1).

To ensure the standard remains relevant and effective, it is crucial to incorporate recent industry developments and other relevant information into the framework. Below are guiding principles of the standard review and revision including, but are not limited to the following:

- **Relevance:** Ensuring the standard remains relevant and aligned with the rapidly evolving industry landscape and global sustainability goals.
- **Usability:** Enhancing the clarity and optimising balance between sustainability goals and practical applicability.
- **Alignment:** Aligning with relevant emerging ESG-related assessment tools (e.g., other voluntary standard schemes, regional and international regulations, etc.).
- *Sustainability impacts* (additional principles adopted from ISEAL Credibility Principles)
- *Collaboration*
- *Value creation*
- *Measurable progress*
- *Stakeholder engagement*
- *Transparency*
- *Impartiality*
- *Reliability*
- *Truthfulness*
- *Continual improvement*

ResponsibleSteel has been reviewing and revising its theory of change as of December 2024 to ensure that it remains aligned with the broader goals of sustainability, climate resilience and responsible business practices in the steel sector. This revision aims to establish a clear pathway for achieving the intended impacts of the standard while ensuring transparency, accountability, and effectiveness. Once the updated theory of change is available, any revisions to the objectives of the standard will be incorporated into this ToR accordingly.

6. Scope of the Standard Revision

6.1 The Proposed Priority Areas for Standard Revision (Slightly Revised)

Based on the results of the public consultation, it is evident that social and environmental principles are strongly supported for revision by respondents, with the remaining priority areas also receiving substantial support (see Annex 1). Moreover, comments regarding insufficiently ambitious principles further reinforce the grounds for the proposed revision areas.

Therefore, the secretariat proposes the areas below as the basis for the revision scope. :

- Just Transition and Decommissioning and closure (P4)
- Climate (P10): Review of transition plans and reporting requirements
- Incorporating Urgent Revisions, interpretations and clarifications
- Annual Leave Requirements (P6.9.1): based on the output from the working group on the Annual leave requirements conducted between November and December 2024.
- Guiding principle: Interoperability of the ResponsibleSteel International Production Standard with emerging sustainability legislation

Additionally, feedback on the identified areas for improvement in the standard (e.g., "Simplicity of sentences", "vague or ambiguous wording" and "consistency of terminology") will be incorporated into the focus of the revision work.

The Secretariat will conduct a detailed review of the topics highlighted in public consultation feedback and strategic context analysis, and determine an appropriate sequencing for revision. The Secretariat will carefully plan the process in phases, adopting a stepwise Revision Programme to cover all agreed topics. This is detailed in section 8. This assessment, and the subsequent phased Revision Programme, will be shared in a future annex to this ToR as a more detailed basis for the scope of the Standard Revision.

More detailed Work Plans will be produced by the Secretariat once this process is complete (see section 8).

7. Stakeholder Mapping

As one of the guiding principles for our standard revision process, we will follow an open and transparent consultation process throughout the ResponsibleSteel International Standard Review and Revision process.

Our internal Standard Development Procedures and ISEAL require one or two rounds of public consultation/stakeholder engagement for standards revision. The secretariat will

oversee stakeholder participation throughout the standard review and revision process, ensuring balanced and effective engagement aligned with predetermined participation goals.

The table below outlines key stakeholders relevant to the standard development procedure, including ResponsibleSteel Members, accredited certification bodies and ResponsibleSteel certificate holders. Stakeholder communication and engagement strategies will be further developed and will include email, website, webinars and in-person opportunities to the extent possible (e.g. workshops).

Stakeholders Group	Interests/expectations	Impact/Influence
RS Members	Most directly affected group. RS members can provide practical insight to ensure the RS standards are effective and relevant.	High impact/influence due to direct involvement and interest in standard implementation.
Standard-setting schemes recognised under Principle 3 of the RS International Production Standard v2.1.	Most directly affected group. RS-recognised schemes can provide practical insight to ensure the RS standards are effective and relevant.	High impact/influence due to direct involvement and interest in standard implementation.
Certification Bodies (CBs)	Most directly affected group. CBs can provide practical insights from auditors' point of view.	High impact/influence as they are responsible for auditing and certifying against the standards.
Certificate holders	Most directly affected group. Certificate holders can provide practical insights to ensure the RS standards are effective and relevant.	High impact/influence as they adhere to the standards and are directly affected by any changes.
Communities	Directly affected group. Some standards requirements are about local communities.	Moderate impact/influence due to direct effects on community well-being and local engagement.
Industry	Indirectly affected group. They can provide insights into the industry's best practices and challenges.	Moderate impact/influence through industry trends, best practices, and operational challenges.
Civil society/NGOs	Indirectly affected group. They can provide knowledge, experience, and expectations regarding social issues that are covered in the standard.	Moderate impact/influence through advocacy, social insights, and pressure for ethical practices.
Governments	Indirectly affected group. They can provide their knowledge of the national and international legislation on relevant topics.	Moderate impact/influence through regulatory frameworks and legal requirements.
Scientists/academics	Indirectly affected group. They can provide their academic	Moderate impact/influence through research, scientific

	knowledge/approach on relevant topics.	evidence, and innovative approaches.
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8. Process for the Standard Revision

8.1 Standard Development Procedures: Standard Revision Process

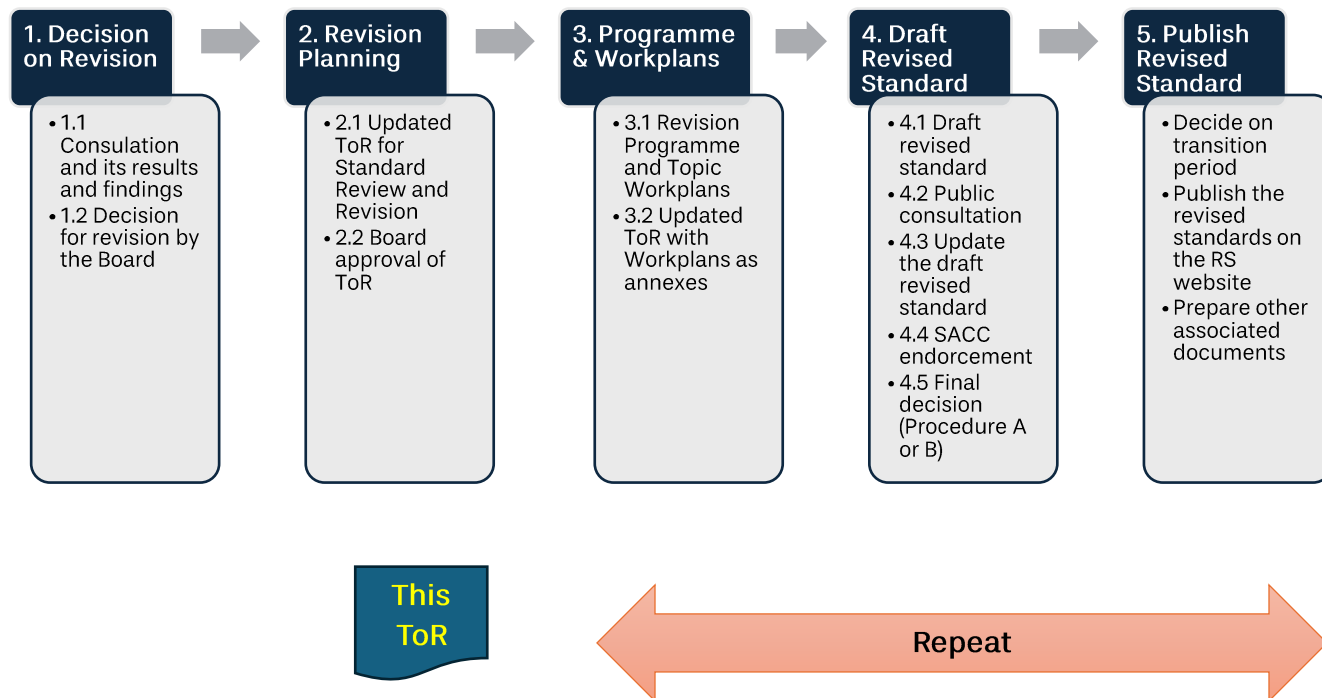
The standard revision process will follow the defined steps outlined as per ResponsibleSteel Standard Development Procedures v3.0. Please refer to [V3.0 ResponsibleSteel Standard Development Procedures_20.09.2023_FINAL.docx](#) for further details.

The revision work mainly consists of five stages:

1. Decision on revision
2. Overarching revision process planning (This ToR)
3. Topic-based workstream planning and publication of the Work Plan
4. Drafting the revised standard
5. Publishing revised standard

These stages are illustrated below.

This Terms of Reference (ToR) is part of the overarching revision planning (Stage 2), in which further topic-based workstreams will need to be aligned and structured accordingly. Once the Topic Work Plans are developed, this ToR will be updated to include them as annexes (Stage 3).



The table below lists the steps for the ResponsibleSteel International Production Standard Revision process, noting the relevant clause from the procedure:

Process Overview			
Process #	Activities	Relevant Clause #	Deliverables
1.1	The secretariat reports the public consultation findings to the Board for a decision.	12.1.3	Report on the from the public consultation findings (as part of this ToR, See Section 6).
1.2	The Board reviews and makes the final decision for revision.	12.1.3	Formal endorsement for revision.
2.1	The secretariat reviews/prepares the ToR in consultation with the Board.	12.2.1	ToR (this document).
2.2	The Board approves the ToR.	12.2.4	Approved ToR
3.1	Preparation for the revision of the Standard – identify process for each revision Topic (Workplan development, workstreams and research process) commences.	2.1.1a–c	Programme for each Phase. Workplans for each Topic.

3.2	Revise and release of the updated ToR (with phased Revision Programme as Annex).	3.1.1	Updated ToR published.
4.1	<u>The Secretariat</u> drafts the revised standard, with input from members working groups etc and technical advisors.	3.3	Draft revised standard.
4.2	Public Consultation (60 days).	3.7	Public consultation paper. Communications materials.
4.3	<u>The Secretariat</u> updates the revised draft	3.7.6	Updated revised standard.
4.4	The SACC reviews the draft revised standard and determines either: a) Further round of public consultation (→4.5 a), or b) Approval by a relevant decision-making body (→4.5 b), or c) some other course of action. (→Actions to be complete, and then 4.5.b)	3.7.7	Formal endorsement for the draft revised standard.
4.5 a	Second Public Consultation (30 days) and repeat 4.3–4.4.	3.7.8 a	
4.5 b	<u>The Secretariat</u> prepares the report	3.7.8 b 3.8.1 a–e	Standard review summary report.
4.6	The Board reviews and decides regarding: a) the International Standards Development Procedures have been followed, and; b) the ResponsibleSteel International Standard meets the requirements of the defined Terms of Reference. <i>If approved</i> → 4.7 <i>If not</i> ,→ issues to be addressed, →4.5. b (update the report), 4.4 (SACC review where necessary), and 4.6 (Board review)	3.8.2–4	Approved (updated) Standard review summary report.
4.7	Decision-Making Procedure: • Procedure A: Board Approval (→ 4.8 a), • Procedure B: Membership Approval and Board Ratification (→ 4.8 b)	3.9 (for A) 3.10 (for B)	
4.8 a	The board makes the final decisions for revised standard <i>If approved</i> → 5.1	3.9	Formal endorsement for the final revised standard.
4.8 b	Members vote either to approve, reject or abstain <i>If approved</i> → 4.8 a (for ratification)	9.10	Formal endorsement for the final revised standard.

	<i>If not</i> , → develop proposed actions in consultation with the chair of SACC and the board		
5.1	<u>The secretariat</u> decides on the transition period (6–12 months) and in the meantime prepares any associated documents (e.g., guidance, audit template, etc.).	Not explicitly covered (4.1.1)	
5.2	<u>The secretariat</u> publishes the revised requirements on the ResponsibleSteel website.	4.1.1	Published final revised standard.
3.1–5.1	During 5.1–5.2, the second set of revision topic workstreams will commence and repeat the revision processes 3.1–5.1	See above	See above

8.2 Variation of Documented Procedure' Stepwise Standard Development Approach

As seen above, the whole revision work encompasses multiple workstreams on different topics. Therefore, it is critical to plan carefully how to address urgent topics and manage the workload involved in the revision process. To enable the secretariat to effectively manage the wide range of topics that need to be reviewed and revised– based on their level of urgency and the needs of the industry– it is suggested that the revision process for each topic be conducted in phases as part of the overarching standard revision process. Section 5 of the Standard Development Procedure v3.0 allows for this variation, provided the board gives its approval (approved in December 2024).

The resulting revised standard will be released in different phases, with implementation timelines adjusted accordingly.

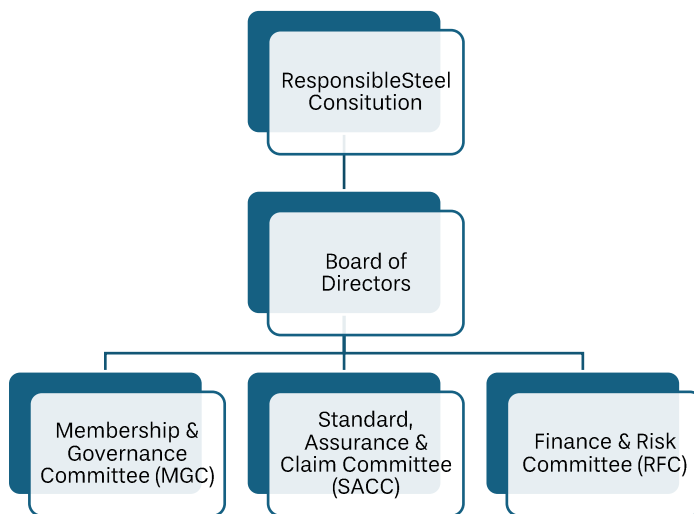
9. Governance Structure and Decision-Making Procedure

9.1 Governance Structure

ResponsibleSteel is governed by its Constitution and accompanying By-Laws. Decisions are made by our Board of Directors, which is made up of a balance of Business, Civil Society Members and Independent Directors. Our committees include the Membership & Governance Committee (MGC), the Standards, Assurance & Claims Committee (SACC), and the Finance & Risk Committee (FRC).

These three committees meet quarterly to advise the Board of Directors and the CEO on the development and implementation of ResponsibleSteel's policies and procedures, and on measures to ensure the stability and success of the organisation.

Please see <https://www.responsiblesteel.org/governance> for more information.



9.2 Decision-Making Procedure for Development of Standards

According to the ResponsibleSteel Standard Development Procedures v3.0, decisions can be made through two different procedures: Procedure A-Board Approval and Procedure B-Membership and Board ratification. These two different decision-making procedures were developed to accommodate the different levels of urgency in matters addressed by standard setting process. Procedure A with board approval is a relatively short process, whereas Procedure B, which requires membership approval and board ratification, takes a longer period to make the decision. Details of the requirements of each procedure are outlined below:

Board of Directors:

Decisions on our standards and assurance programme, finances, policies and procedures are made by our Board of Directors and must be supported by a two-thirds majority, and by at least one civil society Director and one business Director.

Membership:

Only full members of ResponsibleSteel are entitled to vote on resolutions put to the membership by the Board, and the voting power of business members and civil society

members is weighted 50% for each category, irrespective of the number of members in the particular category.

9. Assessment and Mitigation of Risks

Below is an overview of the potential risks associated with this project. The secretariat has identified the following risks and corresponding mitigation measures:

Identified risks		Risk mitigation strategy
1	Prolonged timeline	Communicate with stakeholders to update on progress
2	Create complexity in the standard due to additional requirements and guidance	Aim to strike a good balance between rigour and accessibility to ensure feasibility
3	Create a perception of reduced credibility and rigour of the global standard by adopting regional applicability	Clearly communicate the intent of exceptions that might be adopted in the standard requirements.
4	Lack of stakeholder engagement and feedback	Proactive outreach through multiple consultation channels and simple consultation processes
5	Resistance by the industry and auditors to adopting new standards	Engage with industry and auditors early in the process, provide necessary training sessions, demonstrate business value, and implement phased adoption approaches.
6	Limited resources and funding	Prioritise critical topics of the revision process and optimise resource allocation

10. Contact Information

Please contact hhorii@responsiblesteel.org to submit any comments on this document and/or the ResponsibleSteel International Standard Review and Revision Process.