



Terms of Reference (ToR) for ResponsibleSteel's Revision of Climate Transition Plans within P10

Version 3.0

16th September 2025

What is this document?

This document outlines the revision scope, purpose, guiding principles, objectives & intended outcomes, governance structure, proposed timeline, and working group discussion points. Several additional external resources are listed for reference, as well as an annex containing the current requirements from the ResponsibleSteel International production Standard. This document will serve as a reference throughout the revision process, and forms part of the overarching Standard Revision process commenced at the end of 2024.

Scope

This revision work is related to the following core requirements within Principle 10. Climate Change and Greenhouse Gas Emissions (P10), which focus on climate transition plans, including emissions reduction target setting, and related disclosures:

Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement

Criterion 10.2: Corporate climate-related financial disclosure

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

Criterion 10.7: GHG emissions disclosure and reporting

Refer to Annex A for the requirements and guidance material for these criteria, which also contains an explanatory note on the connections between these different criteria.

Additionally, a general revision of Criterion 10.7 based on learnings from the recent data collection process to publish the [GHG data on the ResponsibleSteel website](#) for both Core Certified Sites and Certified Steel. A general tidy up of any grammar and formatting errors within Principle 10 (administrative changes) will also be carried out.

Finally, harmonisation of the site emissions accounting methodologies for steelmakers (10.3 and 10.4) and sites in transition methodology will likely lead to a second stage of P10 revisions beyond this scope. This is a consequence of the feedback received from the recent members survey on decarbonisation claims.



Purpose

The year 2025 marks a decade since the signing of the [Paris Agreement](#) and six years since the launch of the ResponsibleSteel Production Standard, which requires steelmakers to align with global climate goals. As the focus shifts from setting pledges to implementing action, it's clear that a review of ResponsibleSteel's decarbonisation requirements is both timely and necessary. The urgency stems from the fact that global emissions have continued to rise, and the 1.5°C warming threshold is now projected to be breached by 2034 ([Copernicus, 2023](#)). This heightens the need for rapid emissions reductions across all sectors, including heavy industries like steel.

The [Intergovernmental Panel on Climate Change \(IPCC\)](#) outlines that to stay on a 1.5°C pathway, global CO₂ emissions must decline by 45% by 2030 and reach net zero by 2050. However, the steel sector is far from this trajectory. As of late 2024, only 9% of the required progress toward operational or committed near-zero steel plants has been achieved ([MPP Global Project Tracker](#)). Several major steelmakers have paused key hydrogen-based projects due to lack of supportive policies and viable returns. Broader challenges such as resource limitations, technology readiness, financial constraints, and weak demand for low emissions products further complicate progress.

While the Paris Agreement is a legally binding treaty, it lacks enforceable mechanisms, relying instead on voluntary national commitments submitted every five years. Many of these Nationally Determined Contributions (NDCs) fall short of what's needed. The Agreement also stresses equity and differentiated responsibilities, acknowledging that not all regions can decarbonise at the same pace or in the same way – a reality highlighted in ResponsibleSteel's [Report: Charting Progress to 1.5C through Certification \(2024\)](#).

Nevertheless, the Paris Agreement still stands as the latest international agreement on climate change. The obligations of signatories to fulfil their obligations was reinforced by the International Court of Justice in July 2025 when it issued its landmark advisory opinion, concluding that emitting nations can be held accountable for anthropogenic climate change, and affected nations may be entitled to compensation ([Carbon Brief, 2025](#)).

In this context, ResponsibleSteel faces difficult but essential questions: How should it adjust its standards to reflect real-world constraints without compromising ambition? How can it embed fairness into its frameworks while still pushing for urgent climate action? Balancing these competing priorities will be key to driving meaningful, credible change across the global steel industry.

Guiding principles

The revision process will be guided by three key principles: **ambition**, **feasibility** and **simplicity**. They will be used as a reference point to ensure decisions are apt, the Standard remains credible.

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)

Objectives and Intended Outcomes



Objectives	Intended Outcomes
1. Obtain agreement on how to address progress which falls short of the near/medium-term target; drive accountability for actions, and transparency across core dependencies	– Refocus efforts on credible formulation, and rigorous implementation, of climate transition plans and disclosure of data points that have material impact
2. Forge better links between corporate and site-level transition planning; improve cohesion between transition plans, disclosure requirements, and emissions accounting at different systems levels	– Reduce carbon leakage risks – Reinforce that corporates are a sum of sites (improving utility of the Standard for investors)
3. Clarify key terminology (e.g., near/medium-term, portfolios/SBUs) and critical parameters (e.g., intensity/absolute units, scope boundary)	– Improve clarity and alignment across site and corporate emissions counting methodologies
4. Introduce explicit references to existing value-adding frameworks for the steel sector related to corporate transition plans (e.g., SBTi, IFRS, CDP, TPT) and regulatory requirements (e.g., EU CSRD), clearly identifying overlaps and harmonization opportunities	– Reduce administrative burdens for steelmakers – Continue to drive alignment across frameworks to increase comparability and focus on outcomes rather than calculations
5. Embed the principle from the Paris Agreement of "common but differentiated responsibilities and respective capabilities" into the requirements	– Integrate operational and regional considerations into the climate transition plan – Reinforce the global and equitable nature of ResponsibleSteel's decarbonisation framework

Governance Structure

- The **ResponsibleSteel Standard Development Procedures** must be followed, according to Procedure B – Membership Approval and Board Ratification. This includes a 60-day public consultation period and a 4-week voting period. If >50% of business members' votes and >50% of civil society organisations' votes are in favor of the proposed changes, the requirements are then passed to the Board for final approval.
- The **Standards, Assurance and Claims Committee (SACC)** of the ResponsibleSteel Board will be responsible for oversight of the standard development processes.
- The **ResponsibleSteel Secretariat** will convene and manage the project.
- A **Working Group (WG)** of ResponsibleSteel members with interest and relevant expertise will be established to support this work, inclusive of business members, civil society organisations and trade associations.
- A **Technical Advisory Group (TAG)**, drawn from ResponsibleSteel's Technical Advisory Panel (TAP) of experts with relevant expertise will be established to provide project guidance.

For more information on the standard revision process, refer to the ResponsibleSteel Standard Development Procedures which can be downloaded from [this webpage](#).



Additional Resources

Critical reference docs are highlighted in grey

General guidance material on climate transition plans

- Net Zero Tracker, [What's 'net zero good practice' \(2024\)](#)
- CDP, [Climate Transition Plan: Discussion Paper \(2021\)](#)
- SBTi, [Aligning Corporate Value Chains to Global Climate Goals \(2024\)](#)
- Carbon Brief [Interactive: The pathways to meeting the Paris Agreement's 1.5C limit \(2023\)](#)
- [Are you Paris Compliant? By Dr. Saphira Rekker \(2023\)](#)
- WMBC, [Climate Transition Action Plans: activate your journey to climate leadership \(2022\)](#)
- UN Expert Group, [Integrity Matters: Net Zero Commitments By Businesses, Financial Institutions, Cities And Regions \(2022\)](#)
- WMBC, CDP, Ceres & EDF, [Climate Transition Action Plans \(2022\)](#)

Corporate-level emissions accounting & target setting

- [SBTi Corporate Net-Zero Standard \(2023\)](#) – currently undergoing major revision
- [ISO Net Zero Guidelines \(2022\)](#)
- GHG Protocol's [Corporate Standard & Corporate Value Chain \(Scope 3\) Standard](#) – currently undergoing major revision

Steel sector-specific target setting

- [SBTi Steel Sector Guidance \(2023\)](#) which provides a 1.5°C-aligned sectorial pathway
- Report 'Assessing the Credibility of Climate Transition Plans in the Steel Sector' (Kampmann et al., 2023)

Corporate-level pathway assessments (data banks)

- SBTi, [Target Dashboard](#)
- Net Zero Tracker, [Company-level assessments](#)
- World Benchmarking Alliance, [Heavy Industries Benchmark](#)
- TPI, [Carbon Performance Assessment of Steelmakers](#)

Finance-related frameworks

- [Transition Finance Council: Transition Finance Guidelines – Consultation on entity-level Transition Finance Guidelines \(2025\)](#)
- RMI, [Sustainable STEEL Principles \(2022\)](#)
- Climate Bonds Initiative, [Steel Criteria \(2024\)](#)
- IIGCC, [Steel Purchaser Framework \(2023\)](#)
- Net Zero Investment Framework, [updated NZIF 2.0 \(2024\)](#)
- TPI, [Note on Methodology](#), and [Discussion Paper \(2023\)](#)

Disclosure requirements for climate transition plans

- IFRS S2 Climate-related Disclosures: [IFRS S2 Climate-related Disclosures \(2023\)](#)
- IFRS: [Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2 \(2025\)](#)
- CDP: Full Corporate Questionnaire, [Module 7: Environmental Performance – Climate Change \(2025\)](#)
- CDP: [The State of Play – 2023 Climate Transition Plan Disclosure](#) (especially Appendix 1: Assessment methodology & key transition indicators in 2023 climate change questionnaire)
- [TPT: Disclosure Framework \(2023\)](#)
- [TPT: Metals & Mining Sector Guidance \(2024\)](#)



	Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement	Core
	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.	
10.1.1.	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: a) Explicit projections of long-term steel consumption b) Explicit projections for the production and use of both primary and scrap steel, and the associated GHG emissions c) Explicit assumptions in relation to the public policy and other key conditions that it is based on.	
10.1.2.	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.	
10.1.3.	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.	
10.1.4.	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.	
10.1.5.	The review shows that the corporate owner is implementing its strategy effectively over time.	

The following guidance material is provided 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.

 Criterion 10.2: Corporate Climate-Related Financial Disclosure 	
The site's corporate owner is implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).	
10.2.1.	The site's corporate owner has allocated responsibility for oversight of climate-related risk and opportunity to at least one board committee, with an understanding that material climate-related risks and opportunities that affect business strategy will need to be discussed at the full board level.
10.2.2.	The site's corporate owner has a documented commitment in place to implement the core TCFD recommendations according to its four pillars – governance, strategy, risk management, and metrics and targets – in accordance with applicable TCFD guidance, within three years of the date of application for the site's certification.

The following guidance material is provided for 10.2:

Implementation in accordance with applicable TCFD guidance requires that the corporate owner makes the recommended disclosures associated with the four core recommendations. For detailed guidance see:

[Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017.](#)

[Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures \(2021\).](#)

[Task Force on Climate-related Financial Disclosures: Guidance on Metrics, Targets, and Transition Plans \(2021\)](#)

The ResponsibleSteel period of certification is three years. Corporations which have not implemented the TCFD recommendations within three years of the date on which their first site achieved certification would not be issued with any further certificates until the TCFD recommendations have been implemented. The failure would also jeopardise the maintenance of any certificates previously issued to the corporate owner.



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 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 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 Details of the technology, equipment, management system changes or other options needed to achieve the targets over time An outline of the costs of installing any specified technology or equipment An explanation of how the site intends to finance the proposed technology or equipment 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.

The following guidance material is provided 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.

Criterion 10.7: GHG emissions disclosure and reporting	
Key measures of the site's GHG emissions performance are publicly disclosed.	
10.7.1. 	The site has collated and submitted the following information (or in the case of a defined portfolio of sites, as specified in Criterion 10.5, information for each site within that portfolio) for publication on the ResponsibleSteel website: d) 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.

(note that 10.7 is far more extensive, however, only the relevant disclosure requirements for climate transition plans and target setting are included here)

A note on the connections between P10 requirements related to climate transition plans

Whilst there are some existing connections between the current P10 criteria, they need to be further fleshed out and strengthened. Corporate-level transition plans (10.1) should connect more substantially to climate-related financial disclosures (10.2) and site-level transition plans (10.5), as well as the public GHG emissions disclosure requirements (10.7). Of note, there is no distinct connection between corporate-level transition plans (10.1) and climate-related financial disclosures (10.2) in the current standard, which is an important gap to fill. Transition plans should include disclosure of climate-related financial information, which includes the actions and activities that support the transition plan, including planned changes to businesses and strategy. Additionally, there is an opportunity to harmonise the approach to corporate-level transition planning (10.1), with that of the site seeking certification (10.5) to reduce carbon leakage risks. The related GHG public disclosure requirements for publication on the ResponsibleSteel website (10.7) are currently limited to the site's medium-term reduction target.