



ResponsibleSteel International Production Standard. From V2.1.1 to V3.0

Just Transition and the International Production Standard: Scope and Implementation Options

Revisions Related to Principle 4 (Decommissioning and
Closure) and Principle 7 (Human Rights) in V2.1.1

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Contents

1. Purpose and Scope	2
Executive summary	2
2. Proposed Revised Structure.....	3
3. Proposed Revisions to the Production Standard and Guidance and Annexes Text	4
3.1 Objectives: Production Standard and Objectives Related to Principle 4	4
3.2 Proposed Revised Production Standard Text and Guidance – Criterion 4.1	5
3.3 Objectives: Production Standard and Objectives Related to Principle 7	7
3.4 Proposed Revised Production Standard Text and Guidance – Criterion 7.1	9
4. Proposed Questions for Public Consultation.....	12
5. Proposed Revisions to the Glossary	13
6. Annex: Why is ResponsibleSteel Exploring the Topic of Just Transition?	14



1. Purpose and Scope

This document outlines a draft proposal to make Just Transition (*) considerations more explicit in the ResponsibleSteel International Production Standard V3.0 (hereafter, the Standard).

Developed through a series of Just Transition Working Group meetings convened by the ResponsibleSteel Secretariat, alongside Secretariat input, it draws on the [Just Transition Framework jointly developed by ResponsibleSteel and the Initiative for Responsible Mining Assurance \(IRMA\) V1, March 2026](#).

This document covers:

- the rationale for the proposed changes,
- draft requirements for the Production Standard related to this topic,
- proposed guidance to be added in the Guidance and Annex (Guidance),
- key questions for public consultation,
- a recap of the case for addressing Just Transition in the Production Standard and a high-level summary of the Working Group discussions.

The following documents should also be referred to when assessing this proposal: [Terms of Reference](#) for the revision of the Production Standard V3.0 and [consultation survey](#) which can be found on the [ResponsibleSteel website](#).

Executive summary

- Decarbonisation of the steel sector is essential to meeting global climate goals. As producers move **towards low emission production approaches, employment patterns and local economies across the steel value chain will be reshaped**. Without deliberate planning, the workers and communities most affected by these changes risk being left behind, with **major social and economic effects on local communities**.
- While it is proposed to address Just Transition as part of the revision of the Production Standard, this is intended to be done through a **stepwise approach**. First, we are focusing only on transitions related to climate change conversions. The concept of Just Transition is still emerging, and defining and achieving it is the responsibility of a range of stakeholders, including governments. Widening the scope beyond conversions would place obligations on companies that they cannot deliver alone, and would make the Production Standard overreaching. Second, Production Standard V2.1.1 already covers aspects related to Just Transition; the focus now is on making these existing elements more explicit and on providing supporting guidance alongside the requirements.
- It is proposed to **extend the title of Principle 4** from 'Decommissioning and Closure' to '**Decommissioning, Closure and Conversions**', clarifying the intent and ensuring that some Just Transition considerations are made explicit within the scope of Principle 4 without duplicating information in the Production Standard.
- **Criterion 4.1, which is the only criterion within Principle 4, is expanded to define how the site shall conform**, specifically that, when decommissioning, closure or a conversion is announced, the site **assesses transition risks, impacts and opportunities**. References to consulting workers and their representatives (including trade unions), affected communities and local authorities are kept. The term 'Good Faith'(*) is introduced here to qualify the type of consultation, not the outcome. It is also made explicit that mitigation plans need to include **identified impacts**. References to taking **action to mitigate impacts are retained from V2.1.1, but those**



are now more explicit ('appropriate measures' instead of 'steps' to address adverse social and economic effects on workers and communities), with specific mention of measures for worker retention and reskilling, when appropriate.

- **Principle 7 (Human Rights Due Diligence) is also strengthened**, mainly in its mandatory guidance, to make explicit that a human rights risk and impact assessment shall be conducted when a decommission, closure and/or conversion is identified, cross-referencing Principle 4 and **avoiding an additional due diligence process for sites**.
- Further guidance has been provided on Human Rights Due Diligence, **providing references to international frameworks and methodologies to support sites** in following best practices when conducting human rights impact assessments.
- The proposals outlined in this chapter are **aligned with the revised approach for Principle 10** (Climate Change and GHG Emissions) in the Production Standard V3.0. This is notable, for example, in the way ResponsibleSteel explicitly refers to climate change transitions and **Technology Route Conversions (conversions)* as a form of Climate Transition**. Conversions are defined as the retirement of a specific carbon-intensive production process or asset at a site (e.g. a blast furnace–basic oxygen furnace route) and its replacement with a lower-emission alternative (e.g. an electric arc furnace route).
- For climate **transition plans, in 4.1.2, cross-references are made to Criterion 10.1 to ensure that those changes are followed and not duplicated**. Changes to 10.1 are also proposed for revision as part of this Production Standard revision. Those proposals suggest that 10.1 is changed so that any climate transition plan includes target setting, pathway determination, and strategy development, as well as resilience testing through risk and opportunity analysis, and regular review and updating through clear governance structures, whereas **the proposals for 4.1.2 add on the social and economic side of the transition plans, which is not covered in 10.1**.
- There is no change to the scope of Principle 4; it remains that the principle only applies to sites that are already certified. It also remains that since the Production Standard is applied at the site, these requirements are only assessed at the site level.

2. Proposed Revised Structure

There is no major proposed change to the structure, as a decision was taken to avoid any new standalone principle in the Production Standard based on the input from the Just Transition Working Group. The limited structural change is the extension of Principle 4 from 'Decommissioning and Closure' to 'Decommissioning, Closure and Conversions', with related requirements clarified to specify the scenarios to which they apply, and a cross-reference added from Principle 7 (Human Rights Due Diligence).



3. Proposed Revisions to the Production Standard and Guidance and Annexes Text

Legend: in the revised text below, additions are shown in blue.

Note:

- In the Production Standard text: 'shall' indicates a requirement (Mandatory), 'should' indicates a recommendation, 'may' indicates a permission, 'can' indicates a possibility or a capability.
- Any examples mentioned in the guidance section should be taken as examples and not as de facto requirements by Certification Bodies.
- Any new or changed Glossary terms are marked with (*) and the new/updated definitions can be found at the end of this document.
- Principle 4 consist of only one criterion (4.1) and all the requirements within it.

3.1 Objectives: Production Standard and Objectives Related to Principle 4

Objective	ResponsibleSteel certified sites minimise the adverse social, economic and environmental impacts of full or partial <u>decommissioning, closure and climate change transitions leading to Technology Route Conversions, so that affected workers and communities are supported and the site-site decommissioning and closure leaves a positive legacy.</u>
	<u>The World Steel Association estimates that the steel industry directly employs around six million people (World Steel Association, 2019). According to the International Energy Agency, iron and steel production accounts for around 7% of global energy-related GHG emissions (International Energy Agency, 2020). This makes decarbonisation of the sector essential to meeting global climate goals. As producers move from blast furnaces towards electric arc furnace (EAF), direct reduced iron (DRI) and hydrogen-based routes, employment patterns and local economies across the steel value chain will be reshaped.</u>
Rationale	<u>Without deliberate planning, the workers and communities most affected by these changes risk being left behind.</u> The full or partial decommissioning and decommissioning, closure-closure or conversion of an industrial site can span many years and have major adverse social and economic effects on local communities. There are also environmental risks relating to structural wear and tear, fire or water damage where facilities and infrastructure are left idle, and water and soil contamination when they are dismantled. The ResponsibleSteel International Production Standard requires that sites anticipate these effects, assess transition risks, impacts and opportunities, ensure the most affected stakeholders are aware of mitigation measures, and put <u>mechanisms in place in place mechanisms</u> to manage these impacts, impacts. Third-party reviews of the a site's provisions for decommissioning, closure and post-closure are meant to help ensure that



	certified sites leave a positive legacy, while transparent decommissioning and closure plans help workers and local communities cope with the effects of these events. This Principle is only applicable applies to sites where full or partial decommissioning decommissioning, closure or or closure is announced a conversion occurs while while a the site is site is certified. Compliance would allow certified, allowing such such a site sites to maintain certification while the site is still still operational operational and/or in transition.
References	<u>Internationally recognised just transition principles, including those of the International Labour Organization (ILO) and the UN Working Group on Business and Human Rights, as consolidated in the ResponsibleSteel–IRMA Just Transition Framework.</u> <u>The requirements of this Principle draw on the ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (2015) and on the UN Working Group on Business and Human Rights (2023), as consolidated in the ResponsibleSteel–IRMA Just Transition Framework (V1,2026).</u>
Connected to the following Principles	• <u>Principle 7 (Human Rights) – human rights due diligence, including risk and impact assessment, covers decommissioning, closure and conversions, with recognised assessment methodologies shared across both Principles.</u> • <u>Principle 10 (Climate Change and GHG Emissions) – climate transition plans are developed in accordance with Criterion 10.1, with Principle 4 addressing the social and economic dimensions of the transition.</u>

3.2 Proposed Revised International Production Standard Text and Guidance – Criterion 4.1

Criterion 4.1: Decommissioning, and closure and conversion. The site takes action to minimise short- and long-term social, economic and environmental implications of decommissioning, closure and technology route conversion (conversion*) due to climate transitions.		Guidance (non-mandatory)
4.1.1	1. Where decommissioning or closure of the site (or of part of the site) is announced, and/or where conversions affecting the site are identified, the site shall assess the associated transition risks, adverse impacts and opportunities.	1. Applicability of the requirements: The requirements of this Principle are applicable when the site is already certified and when the site has begun to develop the plan to decommission, close or introduce other changes

	2. The site shall consult in good faith (*) with workers, their representatives (including trade unions), affected local communities and local authorities on its decommissioning, closure, post-closure and conversion plans, as applicable.	connected to conversions. This may be prior to the public announcement of decommissioning, closure or conversion.
4.1.2	1. The decommissioning, or closure, post-closure or conversion plans shall be approved by the site's senior management. 2. In the case of conversion, the plans shall be developed in accordance with Criterion 10.1 on Climate Transition Plans * (V3). 3. In all cases, the plans shall: 1. Include estimates of costs and timelines associated with decommissioning, closure, or conversion. 2. Include identified impacts and steps appropriate measures to mitigate adverse social and economic impacts on workers and local communities affected by site decommissioning, or closure and/or conversion, including measures for worker retention and reskilling where appropriate. 3. Ensure that ecosystems and habitats are not degraded due to decommissioning, and closure and/or conversion. 4. Contain mechanisms for contingency and response planning and implementation.	2. This requirement only applies to the decommissioning, closure and or transition due to climate change of the physical operations directly involved with the production of steel. 3. Future-use-plans: Where local authorities determine how the land will be used, the future-use-plans may not be known to sites, or they may not be able to influence them. 4. Decommissioning, closure or conversion plans: A plan covering the following would meet this requirement: 1. Identification of social, economic and environmental impacts prioritised based on their significance, in accordance with impact assessment methodologies (see Principle 7 Guidance in this document). 2. Appropriate and proportionate mitigation measures to manage and reduce those impacts, following the mitigation hierarchy (avoid, minimise, restore or compensate). 3. Assignment of clear responsibility for required mitigation measures associated with decommissioning, closure, or conversion.
4.1.3.	In the case of closure, the plans shall: 1. Take account of local community preferences 2. Describe the future use of facilities and infrastructure, where these are known	4. Facilities and infrastructure: This includes the facilities of the steelworks and, as applicable, roads, railways, dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals. 5. Mitigation provisions: These may include access to education and training, early retirement possibilities for



	3. Include provisions for post-closure monitoring and maintenance of plan implementation.	older workers, relocation, reskilling and job search assistance.
4.1.4.	In the case of decommissioning , the plan shall describe measures to maintain idle facilities and infrastructure and protect them from risk.	6. Protect from risks: Risks include, for example, water damage, freezing, snow load, structural wear and tear, fire, flooding, and intrusion.
4.1.5.	In the case of decommissioning and/or closure , there are financial arrangements in place that: 1. Cover the full cost of implementing the decommissioning, closure and post-closure plans 2. Guarantee that the full cost will be covered irrespective of the site's finances at the time of decommissioning or closure 3. Are approved by the site's senior management and are reviewed by them to ensure their continued adequacy in case of major changes to operations.	7. Site summary of its decommissioning, closure and post-closure plans, financial assurance arrangements: This includes the main elements and points of the plan and the related financial assurance arrangements. It does not require the disclosure of confidential information. It may be published on the site's local website with relevant contact details and promoted via other channels to reach stakeholders, following the site's stakeholder engagement processes.
4.1.6.	In the case of decommissioning and/or closure , a competent third party shall confirm that the site's decommissioning, closure, post-closure plans, financial assurance arrangements and any subsequent revisions are adequate and feasible.	
4.1.7.	In the case of decommissioning and/or closure , the site shall make a summary of its decommissioning, closure and post-closure plans, financial assurance arrangements and any subsequent revisions available to the public at no cost and provide stakeholders with contact details for more information.	

(blue text: potential changes to the Production Standard and revised section with underlined)

3.3 Objectives: Production Standard and Objectives Related to Principle 7



Objective	ResponsibleSteel certified sites respect human rights wherever they operate, irrespective of their size or structure.
Rationale	It has long been recognised that companies can have a profound impact on human rights. The United Nations (UN) 'Guiding Principles on Business and Human Rights' recognise this and state: 'The responsibility to respect human rights requires that business enterprises: Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.' Under Principle 13 of the UN Guiding Principles on Business and Human Rights, the responsibility to respect human rights calls on business enterprises both to avoid causing or contributing to adverse human rights impacts through their own activities, addressing such impacts when they occur, and to seek to prevent or mitigate adverse impacts directly linked to their operations, products or services by their business relationships, even where they have not contributed to those impacts. Internationally recognised human rights are laid out in the International Bill of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work. The UN Guiding Principles on Business and Human Rights set guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations. The ResponsibleSteel International Production Standard is designed to align with these instruments. Sites wanting to be certified to the Production Standard must understand Sites seeking certification understand the risks they face and know what their impacts are in relation to human rights. This will enable enables them to act, where necessary, to ensure that they do not contribute to human rights violations. In line with this, the Production Standard takes a due diligence approach to human rights, which can be summarised as: identify, assess, act, review. Where sites operate in areas that need extensive measures to ensure security of people, property and assets, the Production Standard requires sets out a similar approach for security workers and public and private security providers. The ResponsibleSteel Principles on Local Communities, Labour Rights and Health and Safety Occupational Health and Safety also support the site's implementation of human rights, even if the term 'human rights' is not contained in their titles or in their Requirements requirements.
References	This Principle is designed to align with the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work (1998) and the UN Guiding Principles on Business and Human Rights (2011), which set out how states and companies prevent, address and remedy human rights abuses connected with business operations. The requirements of this Principle draw on the UN Guiding Principles on Business and Human Rights, Principles 17 to 21 (human rights due diligence) and Principle 31 (effectiveness criteria for non-judicial grievance mechanisms).

Connected to the following Principles	The requirements on security practice draw on the Voluntary Principles on Security and Human Rights (2000), and those on conflict-affected and high-risk areas draw on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd edition (2016).
	• Principle 3 (Responsible Sourcing of Input Materials) – supply chain due diligence applies the same identify, assess, act, review approach. • Principle 4 (Decommissioning, Closure and Climate Transitions) – human rights due diligence, including risk and impact assessment, covers decommissioning, closure and conversions, with recognised assessment methodologies shared across both Principles. • Principle 6 (Labour Rights) – labour rights are part of internationally recognised human rights, and Principle 6 is assessed alongside the due diligence addressed here. • Principle 8 (Stakeholder Engagement and Communication) – the grievance and remediation requirements of Criterion 8.2 give effect to the access-to-remedy element of the UN Guiding Principles. • Principle 9 (Local Communities) – the rights of local communities and indigenous peoples, including free, prior and informed consent, are human rights addressed in more detail there.

3.4 Proposed Revised Production Standard Text and Guidance – Criterion 7.1

Criterion 7.1: Human rights due diligence The site shall act diligently to avoid infringing on the rights of others and to address adverse human rights impacts.		Guidance (non-mandatory)
7.1.1.	The site shall have a public policy on the site's commitment to respect human rights.	1. The site is accountable for the effective implementation of this policy as per Criterion 1.2. The exact wording of the policy does not need to match the wording of the requirement. 2. Methodologies for Human Rights Impact Assessment (7.1.2): ResponsibleSteel does not prescribe a methodology. Sites may find the following useful in implementing this requirement for
7.1.2.	1. In line with a specified procedure, the site shall identify and assess the human rights-related risks and adverse impacts that it causes or contributes to. 2. The identification and assessment of human rights-related risks and impacts shall be updated on a regular	

	basis and be informed by input from internal and external stakeholders.	the identification and assessment of human rights risks and adverse impacts: • UN Guiding Principles on Business and Human Rights (2011); • OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct; • Danish Institute for Human Rights, Human Rights Impact Assessment Guidance and Toolbox (2020); • OHCHR, The Corporate Responsibility to Respect Human Rights: An Interpretive Guide (2012). 3. The process for conducting impact and risk assessments (7.1.4): The impact and risk assessment should be conducted as a participatory process, involving workers and their representatives (including trade unions), affected communities and other relevant stakeholders, to ensure that environmental, social and economic impacts and risks are fully identified and appropriately managed. The process may include the following key aspects: 1. Define scope and areas of influence 2. Identify relevant stakeholders and develop a stakeholder engagement plan 3. Conduct baseline assessments 4. Identify impacts and risks 5. Analyse and evaluate significance 6. Define mitigation and risk management measures 7. Develop implementation plans, including roles, timelines and resources.
7.1.3.	Where it causes or contributes to human rights-related risks or adverse impacts, the site shall implement effective procedures to identify the root causes and define actions to prevent and mitigate these risks and adverse impacts.	
7.1.4.	The actions to prevent and mitigate human rights-related risks and adverse impacts shall be communicated to workers and local communities using languages, methods and channels that are understood and easily accessible to them.	
7.1.5.	A competent party shall regularly verify the effectiveness of the site's procedures for preventing and mitigating human rights-related risks and adverse impacts. Where the site has been the subject of controversy in relation to human rights impacts, verification is conducted by a competent third party.	

Mandatory guidance:

Human rights cover a wide range of impacts on people. There are civil and political human rights, such as the right to life, equality before the law, and freedom of expression. Economic, social and cultural rights, such as the rights to work, social security and education, are also part of human rights, as are collective rights, such as the rights to development and self-determination. (Adapted from the United Nations Office of the High Commissioner for Human Rights.)

An authoritative list of the core internationally recognised human rights is contained in the **International Bill of Human Rights** (which consists of the Universal Declaration of Human Rights 1948, the International Covenant on Economic, Social and Cultural Rights 1966, and the International Covenant on Civil and Political Rights 1966 and its two Optional Protocols). The fundamental principles and rights at work are set out in the **ILO Declaration on Fundamental Principles and Rights at Work (1998, as amended 2022)**. These are inter-governmental instruments against which the human rights impacts of corporations are assessed. The responsibility of companies to respect human rights is distinct from issues of legal liability and enforcement, which remain defined largely by national law provisions in relevant jurisdictions. (Adapted from the **UN Guiding Principles on Business and Human Rights, 2011**).

Frequency of Human Rights Assessments: ResponsibleSteel does not prescribe the frequency of human rights-related risk assessments; however, sites undergoing closure, decommissioning or conversions must update their impact assessments to account for potential risks.

Regular verification by a competent party: the audit conducted to the ResponsibleSteel International Production Standard is not itself sufficient to replace regular verification by a competent party.

~~'It should be noted that 'the environment is never specifically mentioned in the Universal Declaration of Human Rights, yet if you deliberately dump toxic waste in someone's community or disproportionately exploit their natural resources without adequate consultation and compensation, clearly you are abusing their rights. Over the past 60 years, as our recognition of environmental degradation has grown so has our understanding that changes in the environment can have a significant impact on our ability to enjoy our human rights. In no other area is it so clear that the actions of nations, communities, businesses and individuals can so dramatically affect the rights of others—because damaging the environment can damage the rights of people, near and far, to a secure and healthy life.'~~ (Adapted from the United Nations Office of the High Commissioner for Human Rights).'



4. Proposed Questions for Public Consultation

Questions relating to the proposed International Production Standard text (Criteria 4.1 and 7.1) Guidance and Annexes

Areas for public consultation

Clarification that technical conversions due to climate change are included in Criterion 4.1

1. To what extent do you agree with the following statement? **Overall, the proposed requirements will be effective at ensuring that the site takes action to minimise short- and long-term social, economic and environmental implications of climate change transitions.**
2. 'Criterion 4.1 is clarified to specify how the site shall conform, i.e. that when decommissioning, closure or a conversion is announced, the site assesses transition risks, impacts and opportunities and consults workers and their representatives (including trade unions), affected communities and local authorities. It is also specified that mitigation plans must include identified impacts and proportionate measures to address adverse social and economic effects on workers and communities. It includes, for example, measures for worker retention and reskilling. It is expected that these changes will minimise short- and long-term social, economic and environmental implications of climate change transitions, and increase the consistency of the outcomes seen across audits.' **To what extent do you agree with those clarifications?**
3. Please explain your answer.
4. Some Requirements (4.1.1 and 4.1.1.2) refer to action in '**good faith**', which we have defined as 'A site engages in good faith when it treats consultation as a real opportunity to influence the outcome rather than a formality to be completed. This means engaging early enough that the decision is not already settled; recognising workers and their representatives as legitimate counterparts; providing information that is adequate, accessible and timely enough to allow meaningful participation; being represented by people with authority to respond; making genuine and constructive efforts to reach mutual understanding; avoiding unjustified delay, coercion, intimidation or misrepresentation; and honouring the commitments it enters into.' **To what extent do you agree with the following statements?**
5. **It is useful to have this term added.**
6. **The definition as it is written is acceptable.**
7. Please explain your answers.

Human rights due diligence

8. To what extent do you agree with the following statement? 'I see value in adding mandatory guidance about having to conduct a human rights risk assessment when a conversion is going to kick-off and using the output of this effort to inform the conversion plans.'
9. Please explain your answer.
10. The guidance for 7.1 (Human rights due diligence) lists a range of methodologies for impact and risk assessment. **Would you add or remove any methodologies from this list? Please explain your answer.**



Areas for public consultation

11. To what extent do you agree with the following statement? **'The guidance provided on the process for conducting impact and risk assessment clear and adequate.'**
12. Please explain your answer stating what you would change to improve the guidance.

Clarity and measurability of changes related to technical changes due to climate change

13. To what extent do you agree with the following statement? **'Overall, the proposed requirements are clear and easy to understand.'**
14. Please tell us **what could be done to make them clearer and/or easier to understand.**
15. To what extent do you agree with the following statement? The proposed requirements are measurable/verifiable/auditable.
16. Please explain your answer.

Overall views on changes related to technical conversions due to climate change

To what extent do you agree with the following statements?

17. I can see the proposed requirements leading to some **unintended outcomes.**
18. Please explain your answer.
19. These changes are worth it, **even if** they mean audits take longer and cost more.
20. Please explain your answer.
21. The **proposed requirements are acceptable** to me.
22. Please explain your answer, only raising new points you haven't already told us about above.

5. Proposed Revisions to the Glossary

Definitions to be added, removed or updated in the guidance material and glossary

Term	Proposed working description (for consultation)
Just Transition <i>New</i>	As defined in the ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (2015): 'greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. '
Climate Transition Plan <i>New</i>	As defined in IFRS S2 <i>Climate-related Disclosures</i> (2023), Appendix A: 'an element of an entity's wider strategy setting out how it intends to move towards a lower-carbon economy – the targets it has set, the actions it will take and the resources it will commit, including measures to reduce its greenhouse gas emissions. The plan is the output of the entity's transition planning process.'
Good Faith <i>New</i>	A site engages in good faith when it treats consultation as a real opportunity to influence the outcome rather than a formality to be completed. This means engaging early enough that the decision is not already settled; recognising workers and their representatives as legitimate counterparts; providing information that is adequate, accessible and timely enough to allow meaningful participation;



Term	Proposed working description (for consultation)
Technology Route Conversion <i>New</i>	being represented by people with authority to respond; making genuine and constructive efforts to reach mutual understanding; avoiding unjustified delay, coercion, intimidation or misrepresentation; and honouring the commitments it enters into. Good faith concerns intent and conduct, not outcome. It does not require that agreement be reached, nor that either party make concessions. A site can consult in good faith and still not reach agreement. <i>(Adapted from the principle of bargaining in good faith developed by the ILO Committee on Freedom of Association, and from ILO Convention C158 (Termination of Employment, 1982), Article 13.)</i> This is a form of Climate Transition which implies the retirement of a specific carbon-intensive production process or asset at a site (e.g. a blast furnace–basic oxygen furnace route) and its replacement with a lower-emission alternative (e.g. an electric arc furnace route).

6. Annex: Why is ResponsibleSteel Exploring the Topic of Just Transition?

Why a Just Transition matters

Steel is responsible for a significant share of global energy-related emissions and decarbonising the sector is essential to reaching global climate goals. What is often overlooked is the human impact of this transition. Globally, steel employs around six million people, and millions more rely on the industry indirectly. If deliberate action is not taken, the workers and communities most affected risk being left behind. A Just Transition seeks to ensure that the benefits of industrial transformation are shared – including safer jobs, new skills, economic diversification, and improved access to clean energy infrastructure and other low-emission goods and services – and that affected communities can participate meaningfully in the value the transition creates.

What prompted a closer look at just transition in steel

New technologies are opening the door to a cleaner future, but they can also be highly disruptive, particularly in heavy industries like steel and mining. Steel production is already beginning to change in some regions: as blast furnaces close, companies shift toward electric arc furnace (EAF) and direct reduced iron (DRI) technologies, and electric and hydrogen-based routes emerge. These shifts require significantly expanded renewable energy capacity and major changes to transport and logistics. Mining faces changes of a similar scale, with the decline of coal and rising demand for critical minerals. Together, these developments will reshape the mining and steel supply chains, with major implications for employment patterns and local economies. This made it a natural fit for ResponsibleSteel to partner with IRMA. There is also growing recognition that heavy industries need to better address human rights, Indigenous rights and social equity, and to integrate local knowledge into transition planning and due diligence.

The Just Transition Framework



ResponsibleSteel and IRMA developed a Just Transition Framework that draws on internationally recognised principles from the ILO and the UN Working Group on Business and Human Rights, together with extensive input from published literature and stakeholders. Drawing on three dimensions of justice commonly used in academic theory – procedural, distributive and restorative justice – the work began by mapping 16 existing just transition frameworks from international bodies, industry, advocacy groups and Indigenous peoples. This draft framework was then tested and refined through extensive engagement with workers, unions, supply chain actors, companies, governments, civil society, communities and Indigenous groups, including workshops in Johannesburg and Brussels. The final Framework consolidates these insights into nine principles and 50 core elements, along with five recommendations for voluntary sustainability standards (VSS).

One of the clearest findings is that transitions are highly context-specific: their social impacts and opportunities depend heavily on local conditions, from the economic role a site plays in a region to the availability of alternative jobs and the presence of strong institutions and community organisations. This means there is no one-size-fits-all approach. A second key insight is that, while VSS have an important role to play, they cannot drive a just transition on their own – nor can steelmakers or mining companies alone. A truly just transition requires collaboration with a much wider group of actors, including local and national governments, financial institutions, workers and trade unions, communities and Indigenous peoples. Delivering a fair transition is ultimately a shared responsibility.

How the Production Standard already supports Just Transition

Following the Framework, the Secretariat benchmarked it against the International Production Standard V2.1.1 to identify where Just Transition concepts are already well covered and where gaps may exist. A key finding – echoed by the Just Transition Working Group – is that many Just Transition elements are already embedded in the Production Standard V2.1.1., even where that specific terminology is not used. For example, existing requirements on stakeholder engagement, site decommissioning and closure, labour rights, and the development of closure plans all support Just Transition outcomes. A Working Group was established in Q3 2025 to build on what is already there, so that the Production Standard continues to evolve in a way that supports a fair, inclusive and responsible transition across the steel value chain.

The proposal is not a new principle or a higher bar; it extends Principle 4 from 'Decommissioning and Closure' to 'Decommissioning, Closure and Conversions' so that what sites already do when a facility closes applies equally when a production route is converted, cross-referencing Principle 7 rather than duplicating it. There are three core added-value elements:

- **Anticipation.** A route conversion carries the same workforce, contractor and local economic exposure as a closure, and identifying that early – while plans are still shapeable – is far cheaper and less disruptive than responding once decisions are announced and positions have hardened.
- This change in V3 allows ResponsibleSteel and its members to **break down silos between social and environmental pillars of sustainability**, helping certified sites to look at the synergies and influences between these two.
- **Bringing this into the Production Standard also means members address it together and create awareness jointly:** a shared framework, a common vocabulary and a collective learning curve, so that as expectations from unions, regulators and investors continue to sharpen, the sector is working from one agreed basis rather than each site improvising its own.

The central question and the approach taken

The central question has been whether and how Just Transition concepts should be reflected within the ResponsibleSteel system. Because many already appear implicitly in the



Production Standard, the Working Group weighed whether to amend the Production Standard – notably Principle 4 (Decommissioning and Closure), with links to Principle 7 (Human Rights Due Diligence) and Principle 10 – and/or whether additional guidance would be the more appropriate step. The process matured over time: the group initially anticipated potentially significant additions, then tested whether changes were necessary at all, and converged on a measured approach combining targeted refinements to Principle 4 with supporting guidance. The proposal reflects an integrated approach rather than a standalone Just Transition policy, with a focus on procedural and distributive justice, and avoids duplicating human rights due diligence by cross-referencing Principle 7.

How the proposal was developed

The proposal was developed through a series of five Working Group meetings held between September 2025 and March 2026, supported between sessions by written feedback and additional analysis from the Secretariat, including a benchmarking exercise requested by the group. Discussions were detailed and technical, frequently addressing the wording of individual requirements. The following principles guided decisions on what to include and how:

- Pragmatism
- Stepwise, incremental change rather than a major overhaul
- Integration rather than the creation of silos within the Production Standard
- Referencing and making existing topics explicit
- Focus on where there was a higher degree of alignment

The Working Group brought together steelmakers, mining assurance, certification and assurance bodies, an industry association and labour representation, convened by the ResponsibleSteel Secretariat:

Steelmakers	Mining assurance	Industry associations & labour expert representation
ArcelorMittal	Initiative for Responsible Mining Assurance (IRMA)	World Steel Association (worldsteel)
Tata Steel UK	Assurance Services International (ASI)	IndustriALL Global Union
Outokumpu	DNV	Population and Development Initiative (PDI)
		Lloyd's Register

Where views converged

Across the meetings, there was general agreement to pursue an integrated policy approach (rather than a standalone Just Transition policy), provided minimum criteria were defined for auditability. The group agreed to focus on procedural and distributive justice; restorative justice was viewed as less relevant and more sensitive in the steel context at this point. It was considered better to start with a stepwise approach when introducing Just Transition more explicitly. There was strong support for expanding Principle 4 (currently 'Decommissioning and Closure') to cover climate transitions, with a cross-reference to Principle 7 to avoid duplication, and for adding explicit wording requiring assessment of transition-related risks and impacts. Including identified impacts and proportionate measures in mitigation plans was supported, as was clarifying the scope of worker-training provisions and removing the ambiguous term 'social support'. Stakeholder-engagement elements (tripartite and social dialogue) were considered already well covered.

Questions still open for consultation



Some questions remain open and are a focus of this consultation, including: the scope of 'transition' (whether to focus on climate transitions only, or to include wider corporate or technological changes); the best placement of these concepts in the Production Standard (refining Principle 4 versus integrating via Principles 7 and 10 plus guidance); and how to keep an assessment requirement compliant and auditable (referencing established external frameworks versus defining the basic elements of the assessment directly in the ResponsibleSteel system).