

ASI ENVIRONMENTAL SUSTAINABILITY CHARTER: A SIGNIFICANT EVOLUTION TO MEET MEMBER NEEDS

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SUSTAINABILITY IN BUILDING, CONSTRUCTIONAL AND INDUSTRIAL MARKETS HAS BECOME A SIGNIFICANT PART OF OUR COMMON LANGUAGE AND BUSINESS PRACTICES, IN MUCH THE SAME WAY AS SAFETY AND QUALITY DID DECADES AGO. MOMENTUM IN THIS SPACE IS NOW SHIFTING UP A GEAR, WITH BUSINESS SUSTAINABILITY QUICKLY BECOMING A LICENCE TO OPERATE.

The building and construction sector is a high priority target for decarbonisation, with research illustrating this sector contributes approximately 18 per cent of Australia's total carbon footprint.¹ There is no single common driver. Momentum for change is being driven across a broad range of fronts: all tiers of government, large corporates such as BHP and Lendlease putting their supply chains on notice, influence from a growing array of not-for-profit and community groups, 'green finance' such as the global green bond market², and super funds targeting investments in public companies with high sustainability credentials.

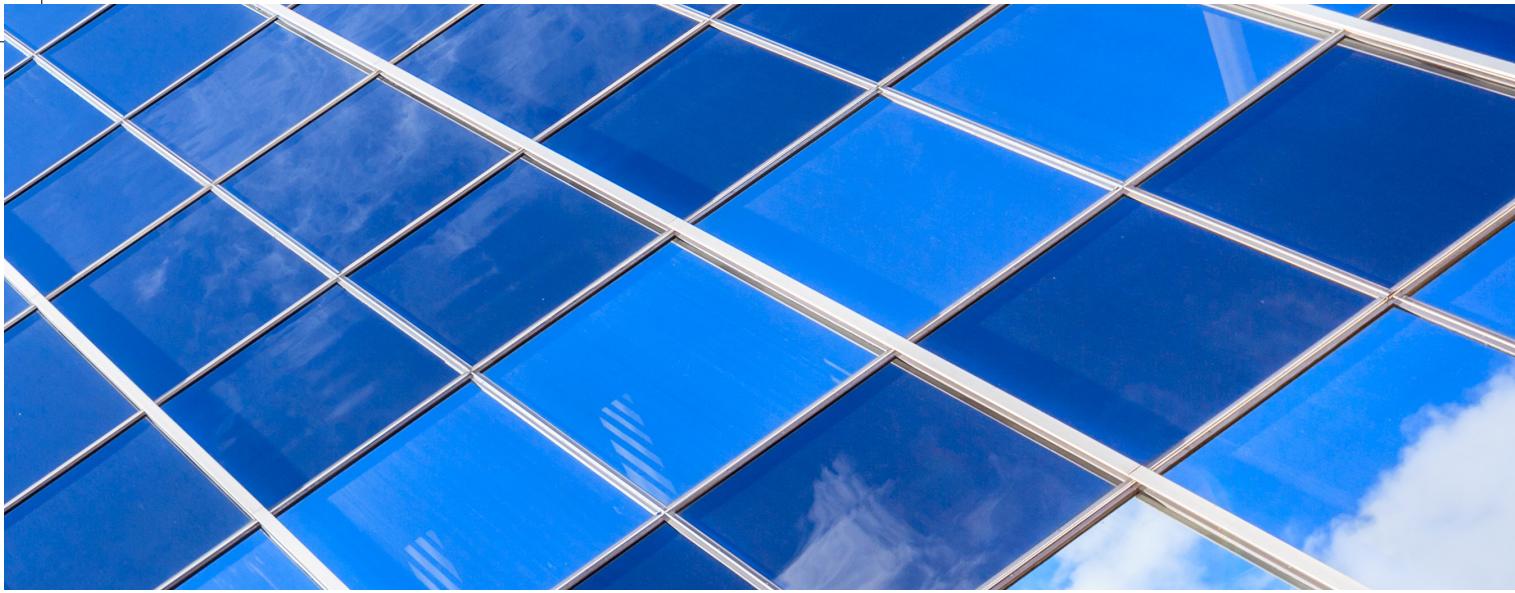
We are seeing increased sustainability credential demand in a broadening range of building projects. A growing number of project proponents and government departments are requiring steel supply from fabricators and steel processors who are members of ASI's *Environmental Sustainability Charter* (ESC). These projects include major infrastructure, utilities such as water, sporting structures, office complexes, apartment buildings and even church buildings.

BACKGROUND OF ESC

The Environmental Sustainability Charter was established in partnership with the Green Building Council of Australia (GBCA) in 2011, with the objective of delivering ongoing meaningful improvement to the environmental footprint of certified steelwork fabrication and steel processing companies. The ESC has experienced a growth rate of 38 per cent in the past 20 months, and is widely recognised as the premier sustainability certification for downstream steel fabricator and processing businesses.

In conjunction with the GBCA, the ESC creates a mechanism for construction companies and major project proponents to determine and identify a sustainable steelwork supplier. It also provides an effective program for fabrication and steel processing companies to demonstrate their commitment to reducing their environmental footprint, reducing waste and enhancing sustainability credentials in a continuous and structured way.

As previously reported in Steel Australia, ESC members are audited annually to measure their sustainability initiative



achievements, including: energy use reduction, renewable energy take-up, materials and scrap reduction, recycling, transport efficiencies and fuel reduction, water harvesting, supplier sustainability, and innovative solutions designed to deliver more sustainable products and services for clients building projects.

ESC IS UNDERGOING A SIGNIFICANT EVOLUTION TO PROVIDE BROADER SUSTAINABILITY CREDENTIALS

With increasing sustainability demands, ESC is undergoing a significant transition process, and will soon adopt the GBCA's new Green Star Responsible Products Framework. A broad array of new Environmental Social Governance (ESG)³ initiatives will enable ESC members to access a far greater number of Green Star credit points for building and construction projects, whilst driving best practice sustainability improvements across their operations. We believe Green Star credit points will be in high demand for construction projects.

We recently surveyed ESC members to confirm their views and needs (for further information on the survey results, see the article on page 22). The survey results clearly affirmed the need for the Charter to provide broader ESG improvement initiatives to enable ESC members businesses to grow their sustainability performance and brand, and achieve more Green Star credits for their clients, whilst helping them deliver sustainable products, buildings and structures.

The key principles of GBCA's New Green Star Responsible Products Framework are:

- Responsible: the manufacturing process avoids significant environmental impact
- Transparent: product impacts and content are transparently disclosed
- Stewardship: the product supply chain is ethical, respects human rights and has lower impact
- Foresight: the manufacturer is

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preparing for future low-carbon production and the circular economy

- Verification: claims made are verified independently.⁴

As part of ESCs next stage of evolution, it will transition to an independent business structure and employ external auditors. ESC will also change its name to Steel Sustainability Australia (SSA). SSA better reflects the breadth of the new program, which will incorporate environmental, social and governance initiatives and practices.

The new SSA program services will include a staged roll-out of a broad number of credit point initiatives, including Environmental Footprint Enhancements, Circular Economy, Health and Wellbeing, Product Lifecycle, Material Content Disclosure, and Governance – Ethics to fit the specific needs of our growing membership. From June 2021, all audits will be conducted by a highly qualified independent third-party service provider.

Recently I attended a meeting with a State Government infrastructure-buildings planning body. The clear

message was that the government has shifted their focus to longer, complete lifecycle plans for new structures. Their objective is to include end-of-life considerations for new structures: de-construction, recycling and, where possible, re-use of materials. This is a strong lead indicator on where the building market is heading. Sustainability is definitely becoming a ‘ticket to the game’.

The ASI is planning for not only the existing needs of our members, but their future needs. We are confident that the evolution of our steel sustainability charter program will ensure that it continues to be highly relevant to our downstream members growth needs in this fast growing space, and helps to differentiate the sustainability brand of our members.

References

1. "The Carbon footprint of Australia's Construction sector"; Man Yu, Thomas Wiedmann, Robert Crawford, Catriona Tait, Procedia Engineering; Sustainability Assessment Program – UNSW, University of Sydney, University of Melbourne; 2017
2. Climate Bonds Initiative, UBS, Sept 2020
3. Best practice sustainability principals
4. GBCA; Responsible Products Framework Fact Sheet for product certification schemes, December 2020 <https://new.gbc.org.au/rate/rating-system/responsible-products-framework>

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ABOUT THE ASI'S ENVIRONMENTAL SUSTAINABILITY
CHARTER AND ITS MEMBERS >>>**

