

Australian Steel Institute (ASI) Environmental Sustainability Charter (ESC) Revision



Stakeholder information guide for the revision of ASI's
Environmental Sustainability Charter (ESC) to the *Steel
Sustainability Australia (SSA)* certification program.

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Date: 10 May 2022

Environmental Sustainability Charter (ESC) Revision



Considers ESG sustainability impacts across entire supply chain



2022



ASI ENVIRONMENTAL
SUSTAINABILITY CHARTER

2011

Assesses environmental impacts for steel fabrication



ASIs Environmental Sustainability Charter (ESC) Revision



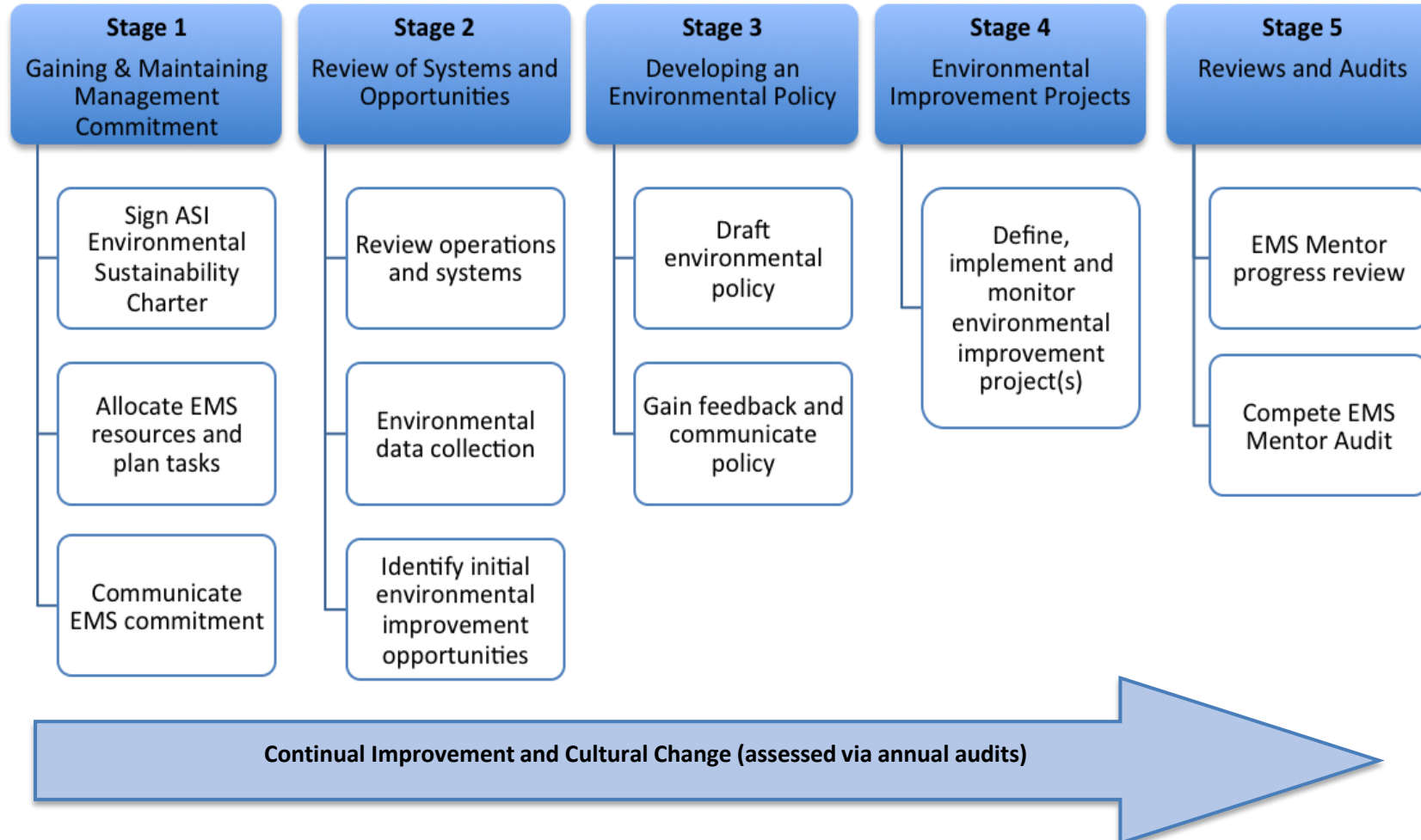
- The Australian Steel Institute’s (ASI), *Environmental Sustainability Charter* (ESC) is undergoing an in-depth revision to;
 - (a) align with Green Building Council Australia’s (GBCA) recently revised Green Star rating tool to include their Responsible Products Framework (RPF)** which focusses on more rigorous social and environmental criteria to “drive the supply chain to deliver transparent, healthy, low-impact and net zero carbon products that are part of a circular economy (GBCA)” and,
 - (b) to meet current and future expectations of multi-dimensional sustainability within the steel supply chain, and**
 - (c) to support our members** with a program that allows recognition of compliance to these values.
- In the latter half of 2022, the former ESC will be **re-branded** and transitioned to the revised certification program, ***Steel Sustainability Australia (SSA)***.
- The SSA program has been undergoing development in consultation with key stakeholders since February 2021 (refer to page 12). **ASI will continue to consult with stakeholders on the finalisation of the SSA program and its transition from ESC.**

Key changes between ESC and SSA program

Program features	ESC	SSA
Membership base	Fabricators only	Fabricators, rollformers, reinforcing, manufacturers
Certification model	Bronze to Platinum performance bands	L1, L2 & L3 tiers of compliance
Steel supply requirements	Not verified	ESG requirements to be met by steel feedstock suppliers
Assessment criteria	Environmental management only	Wholistic ESG impact
Access to GBCA Green Star credit points	1 point	Up to 5 points
Audit conditions	Annual desktop	Annual desktop
Member benefits	Access to EMS Mentor (online EMS)	Access to new online EMS LCA at reduced rates (SSA L3)

ASI Environmental Sustainability Charter (ECS) - Current Situation

Current Certification Criteria via EMS Mentor...



- Bronze, Silver, Gold or Platinum bands of certification available—assessed at annual audit.

Proposed Steel Sustainability Australia (SSA) Program



New certification model

1st SSA release (2022)

2nd SSA release (date tba)

Principle	Criteria	*RPV	Level 1	Level 2	Level 3
Governance	1.1 Business Integrity	-	✓	✓	✓
	1.2 Management Systems	-	✓	✓	✓
	1.3 Stakeholder Engagement	-	✓	✓	✓
Responsible	2.1 Environmental Management	1	✓	✓	✓
	2.2 Environmental Product Declaration	4		✓	✓
	2.3 Health Impacts Disclosure	1		✓	✓
Healthy	3.1 Chemicals of Concern	1		✓	✓
	3.2 Manufacturer OH&S management	2		✓	✓
	3.3 Modern Slavery	-		✓	✓
Positive	4.1 Steel Supply	-		✓	✓
	4.2 Energy Use Reduction	1		✓	✓
Additional criteria to be determined		5			✓
*RPV Total			1	10	15

- **3 levels of certification** avail. across the steel s/c – replaces ESC bands of performance
- **Level 1:** loosely equivalent to current ESC certification, excluding additional governance criteria
- **Level 2:** additional requirements around EPDs (2.2), health impacts of products (2.3), VOCs for coatings (3.1), site-specific OHS (3.2), modern slavery (3.3), requirements for steel (feedstock) suppliers (4.1), and annual energy reduction for steel suppliers and downstream processors
- **Level 3** (TBD following further consultation): LCA, digital/tech innovation, leadership initiatives

*RPV = Green Star Buildings *Responsible Product Value*

Proposed Steel Sustainability Australia (SSA) Program



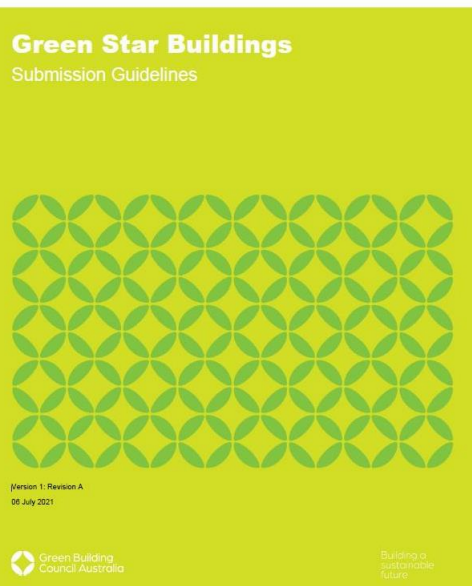
New certification model & *Responsible Product Values* (RPV) for Green Star

Principle	Criteria	*RPV	Level 1	Level 2	Level 3
Governance	1.1 Business Integrity	-	✓	✓	✓
	1.2 Management Systems	-	✓	✓	✓
	1.3 Stakeholder Engagement	-	✓	✓	✓
Responsible	2.1 Environmental Management	1	✓	✓	✓
	2.2 Environmental Product Declaration	4		✓	✓
	2.3 Health Impacts Disclosure	1		✓	✓
Healthy	3.1 Chemicals of Concern	1		✓	✓
	3.2 Manufacturer OH&S management	2		✓	✓
	3.3 Modern Slavery	-		✓	✓
Positive	4.1 Steel Supply	-		✓	✓
	4.2 Energy Use Reduction	1		✓	✓
Additional criteria to be determined		5			✓
*RPV Total			1	10	15

- **Level 1** SSA certification will allow certified companies to continue to be recognised under GBCA’s Green Star Design & As Built for the ESC membership point for steel fabrication
- **Level 2** SSA certification will allow certified companies to gain recognition for compliance to the new Responsible Products Framework in Green Star Buildings rating under the Responsible Structure credit with a “Credit Achievement” (RPV 10).
- **Level 3** is the aspirational level of SSA certification. Extended compliance requirements to meet the Green Star Buildings “Exceptional Performance” Responsible Structure credit with a *RPV of 15*.

*RPV = Green Star Buildings *Responsible Product Value*

Green Star Buildings – RPVs under Responsible Structure Credit



Responsible Structure

Responsible

Credit: 6

Points: 5

Outcome

The building's structure is comprised of responsibly manufactured products.

Criteria

Credit Achievement	3 points	<ul style="list-style-type: none">50% of all structural components (by cost) meet a Responsible Products Value of at least 10.
		In conjunction with the <i>Credit Achievement</i> :
Exceptional Performance	2 points	<ul style="list-style-type: none">10% of all products in the structure (by cost) meet a Responsible Products Value of at least 15Or80% of all products in the structure (by cost) meet a Responsible Products Value of at least 10.

- RPV of 10 (SSA Level 2) = 3 points under Responsible Structure Credit
- RPV of 15 (SSA Level 3) = Additional 2 points under Responsible Structure Credit

Proposed SSA Certification Rules and Procedures



- SSA members (“applicants”) are certified to either SSA level 1 or 2 (or 3) – replaces ESC bands
- Certification status dependent on a mandatory *annual* desktop audit
- Certification validity: 12 months based on FY. Certification pending allowance is 3 months
- Formalised non-conformance management: guidance notes will outline major and minor n/cs for criteria
 - Certification only awarded if no outstanding *major* n/cs (auditor manages close out)
 - Major n/cs must be rectified within 2 months of audit report. Minor n/cs within an agreed timeframe but at least by the time of next audit (12 months) otherwise escalates to major n/c.

Proposed SSA Certification Rules and Procedures



- Multi-site certification conditions: The annual audit assesses company policy/systems plus 1 chosen site which will be listed on the certification certificate. Additional sites can be audited at an additional minimal cost provided they are owned and managed by the certified company (i.e., operating under the same ABN)
- Transition plan ESC>SSA: 2022 FY audit certifies to current ESC – valid until 30 June 2023. All members have until 2023 FY audits to prepare for certification to SSA level 1 OR level 2. New members audited to SSA from Q4

SSA Pricing model



- 1 x joining fee (one off) and 1 x annual fee
- Tiered pricing structure (by level of certification)
- ASI members and non-ASI member rates applied
- Price increases based on cost recovery

SSA certification level	SSA joining fee (one off)	SSA annual fee	Additional Audit (per site)
Level 1	Current fee + > for cost recovery	Current fee + CPI + > for audits costs	C1
Level 2	Current fee + > for cost recovery	Current fee + CPI + > for audits costs	C2
Level 3	Current fee + > for cost recovery	Current fee + CPI + > for audits costs	C3
Cost inclusions	set up of company in SSA management system and training		C= Cost recovery associated with costs for servicing additional site (audit plus admin)

SSA Program Development Process and Timeline

Key:
Completed
Upcoming



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Have your say...

There will be a formal open consultation period held in June 2022 to gain feedback on the revision of ESC to the proposed SSA program. Details to be advised.

For any enquiries, please contact ssa@steel.org.au.