



Sustainable Construction Steel Scheme

Guidance: Fabricators

CARES Cloud App



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Annex 1	Self-Assessment and Audit Workbook	Separate document
Annex 2	Schedule of Operations	Separate document

Amendment Control Sheet

Section	Amendment	Date of Issue
V10 draft	New version 10 – Fabricators Guidance separated from Annex 1 Self-Assessment and Audit Workbook, updated and edited in this document. Substantive changes to several criteria, minor edits and amendments to several criteria, several criteria have been moved, some deleted, resultant changes to numbering. For a full list of changes, see Change log and Q&A supplement.	Nov 2025

Terminology

Within this Guidance, the following terminology is adopted:

The term **“shall”** is used to indicate a mandatory requirement.

The term **“should”** is used to indicate a recommendation, rather than a requirement.

The term **“may”** is used to indicate an option that is permissible.

The term **“can”** is used to indicate a possibility or a capability.

Other terminology and definitions are contained in a separate glossary.

Introduction

i. The Sustainable Constructional Steels (SCS) Scheme

The objective of the SCS scheme is to enable approved firms to demonstrate sustainability management and performance through high quality independent 3rd party certification. This provides reliable information and data to enable construction stakeholders to make informed decisions that drives asset level sustainability performance and responsible sourcing.

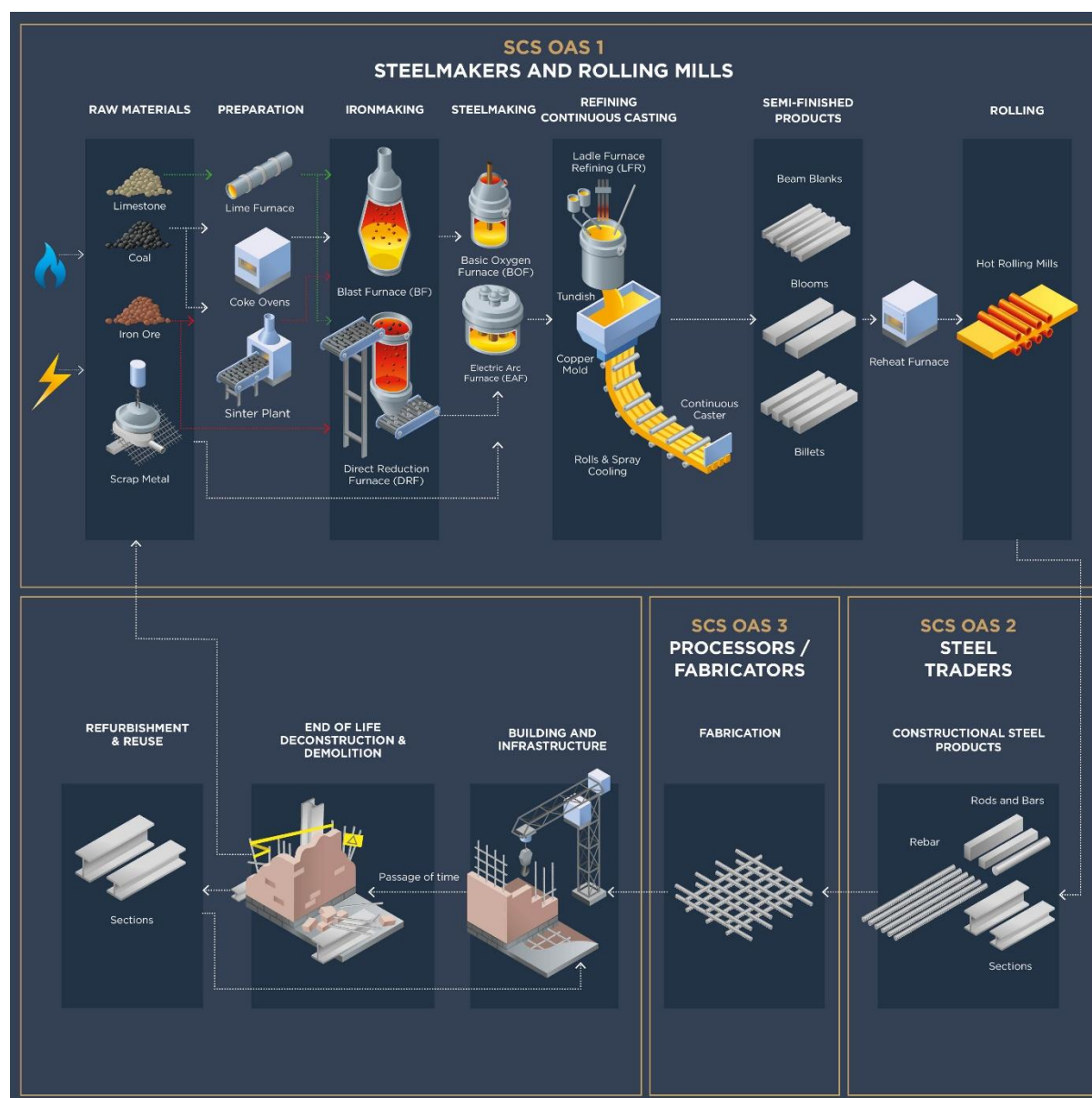
The SCS scheme supports CARES mission: to make the CARES assured steel supply chain the safest, most effective, efficient, digital assured and sustainable in the World. It does this through ensuring steel products are quality assured, responsibly sourced and evidenced by a CARES Digital Record.

The SCS scheme provides a high level of assurance through its traceability and certification processes. One hundred percent of product is fully traceable from manufacture to use in a building or infrastructure on site using the CARES traceability system and digital product passport. The SCS scheme is based on a single site (multiple site combined certification is not allowed), a single, specified production route (additional certifications can be sought for different production routes) and is product specific.

ii. About this Guidance

Firms seeking approval should use this guidance to information how to meet the requirements of the Operational Assessment Schedule (OAS). It is one of a series of guides within the CARES SCS scheme. Figure 1. Illustrates the scope boundaries for each OAS.

Figure 1: Certification boundaries for the SCS scheme Operational Assessment Schedules (OAS)



This Guidance document is designed to support fabricators seeking certification to the scheme. It supports an understanding of the requirements of the Operational Assessment Schedule (OAS – ‘the Schedule’), including for mandatory requirements *which organisations shall demonstrate to gain certification* and voluntary performance credits *which organisations should try to meet* and can use to demonstrate and be recognised for additional management and performance.

It is designed to be read alongside the Schedule, and when completing Annex 1 - *Self-Assessment and Audit Workbook* which organisations shall use to complete their self-assessment. The completed Annex 1 will be reviewed and form the basis of the audit documentation under an independent third-party audit conducted by CARES approved and competent specialist auditors.

The procedures relevant to this Schedule in operation at the time of the audit leading to approval shall be documented and maintained in *Annex 2 - Schedule of Operations*. The Scheme Manual defines the certification rules and application of them, as well as outlining the scheme governance requirements.

A separate glossary is available that explains the meaning of terms used within all SCS scheme documents and should be used as a reference when seeking certification. Where a term specifies a requirement in the glossary, this shall be normative. For example, there are requirements as to what constitutes 'Publicly reported' which need to be followed to gain or maintain certification.

Official documentation for the scheme is summarised in Figure 2.

Figure 2: The relationships between the scheme documents.



iii. Scoring and rating system

Scores are assigned by the auditors during the audit on the basis of the evidence provided and its alignment to the requirements of each mandatory criterion within the Schedule. Mandatory requirements are scored 0 for non-compliance and 2 for compliance. There is no partial compliance for mandatory criteria.

The voluntary credit scores are assigned by the auditors during the audit on the basis of the evidence provided and its alignment to the requirements of each voluntary credit criterion within the Schedule. Credit scores can be 1, 2, 4, 6 and 10 as follows; 1 = partially met, 2 = fully met, 4 = best practice demonstrated, 6 = additional credit for material change, 10 = additional credit for material change. The full range of credit scores are not necessarily available for all credit criteria. When credit scores are assigned for annualised data then an average over the preceding three years performance should be used. The scores for each section are added together and contribute towards evaluation of an organisations Rosette Rating.

CARES operates its Rosette Rating System (RRS), which is designed to recognise the differing levels of progress and investment in effective sustainability management and the resultant performance made by approved firms. The Rosette Rating levels are designed to provide a pathway of performance improvement linked to the best available science and stakeholder expectations. The 4 Rosette Rating is intended to provide an aspirational level of performance that is as close to 'sustainable' as possible. Approved Firms are encouraged to progress through the Rosette Rating levels over time.

Score ranges for each Rosette Rating level are assessed by section. The organisations final Rosette Rating is the minimum achieved in any section. Full details of the scoring system are available in Annex 1.

Scheme requirements and certification guidance

1. Company information and certifications

Mandatory Requirements

Factory production control certificate or Product conformity certificate

ISO 9001 Quality Management Systems (QMS) certificate

ISO 14001 Environmental Management Systems (EMS) certificate

ISO 45001 Occupational Health and Safety Management Systems (OH&SMS) certificate

Annex 1 - Annually Completed Self-Assessment and Audit Workbook

Annex 2 - CARES Schedule of Operations

Scope:

The Scheme is applicable to the following steel value chain stages and product types:

Processors and suppliers of bar/coil and fabric as:

- Bar/Coil in straight lengths or coil to BS 4449, BS 6744 and other national or international reinforcing steel standards acceptable to CARES
- Standard and purpose made steel fabric in bundles or single sheets to BS 4483 and other national or international reinforcing steel standards acceptable to CARES
- Cold reduced steel wire in coil or cut to length to BS 4482 and other national or international reinforcing steel standards acceptable to CARES
- Fabricated reinforcing steel to BS 8666 or customer specification and other national or international reinforcing steel standards acceptable to CARES
- Pre-assembled welded fabrications
- Fabrication and assembly of mechanical couplers
- Fabrication of structural steels
- And/or other steel products made to national and international steel standards acceptable to CARES

It relates to:

- The purchase and receipt of input steel for fabrication and/or steelmaking,
- The fabrication of steel products,

This Schedule shall only apply to organisations possessing valid certificates from CARES or from an accredited certification body acceptable to CARES covering:

- Product certification or product conformity
- ISO 9001 QMS

- ISO 14001 EMS
- ISO 45001 OH&SMS

Approved fabricators under the scheme shall have been deemed to have satisfied the sustainable constructional steel criteria in the Schedule as documented in Annex 1.

The procedures relevant to the Schedule in operation at the time of the assessment leading to approval shall be documented in Annex 2 - Schedule of Operations. This will be maintained in an updatable form and be used in subsequent CARES audits.

SDG Alignment – 1. Company Information and Certifications



2. Sustainability governance and management

The organisation shall have a defined approach to governing and managing its impacts on sustainable development - a Sustainability Management System (SMS).

Senior management shall demonstrate leadership and publicly commit to work to improve sustainability performance through operating an effective management system. There shall be objective evidence that top management is actively involved in the development, implementation and continual improvement of the SMS.

Where the organisation subcontracts work that is the subject of the schedule there shall be a documented procedure(s) to ensure those acting on the organisation's behalf (contractor) comply with the organisation's sustainability policy requirements that relate to them.

If the steel for fabrication is purchased externally there shall be a documented procedure(s) for purchasing materials which ensures that steel is supplied from a CARES Sustainable Constructional Steel scheme certified producer or from an organisation possessing a valid sustainability certificate acceptable to CARES. Purchasing procedure(s) shall include all aspects of the material specification which are important in ensuring satisfactory material quality, identification, traceability and sustainability performance.

The management system requirements shall be documented in a SMS Manual or another Manual in any format, implemented and maintained. Its scope shall be appropriate to the nature and scale of its activities, products and services and impacts from them.

Mandatory Requirements

- Documented information as evidence of SMS Manual or another Manual acceptable to CARES
- Documented Procedure(s) to control subcontract works and contractors
- Documented Procedure(s) for purchasing steel for fabrication

SDG Alignment – 2. Sustainability governance and management



2.1. Sustainability Policy, Principles and Leadership

2.1.1 Policy

The organisation shall approve and publish a Sustainability Policy(ies) which shall cover at a minimum the organisations commitments to:

- Engage with stakeholders to understand their concerns, risks and opportunities
- Operate with integrity, adopt and follow ethical business practices and good corporate governance to avoid bribery and corruption
- Establish material sustainability impacts and to produce a statement which describes them and which recognises the interactions between them. The scope of material impacts shall include: Environmental, health and safety, employee wellbeing and mental health, human rights, labour rights, community, social and economic impacts
- Comply with applicable legislation, regulations and voluntary compliance commitments and obligations
- Measure, monitor and publicly report on its material impacts, summary plans and targets to manage them and associated performance
- Continual improvement on a pathway towards fully sustainable and responsible practices. This shall include a commitment to minimise negative environmental, health and safety, employee wellbeing and mental health impacts and to maximise positive outcomes. It shall also include a commitment to respect human and labour rights including avoiding and remedying modern slavery and other human rights violations where identified in value chains
- Decarbonise operations and products over time aligned to nationally determined contributions and sector decarbonisation pathways aligned to the Paris Agreement or a science-based decarbonisation pathway acceptable to CARES
- Responsible sourcing in the supply chain and to minimising negative impacts and maximising positive impacts across the whole value chain
- Fair employment and to contribute to a diverse and stable local economy
- Implement an effective and fair grievance mechanism
- Document and act on any breaches to this policy and/or code and providing evidence that the organisation has addressed any concerns and complaints
- Protect commercial sensitive information and data as part of confidentiality
- Promote financial transparency
- Promote the assessment and transparent sharing of sustainable and responsible business management practices and performance

Guidance

The scope of the policy indicates the issues to be managed by the SMS and shall be aligned to the material impacts of the organisation.

It provides an indication of intent and shall be signed by an accountable Director or Executive. It can be published in one or more policy documents.

2.1.2 Commitment to Principles

The organisations leadership shall commit to sustainability principles (inclusivity, integrity, stewardship and transparency) and the organisation shall communicate this commitment, ensuring it is publicly and freely available.

Guidance

The commitment to the principles in 2.1.2, and the statement of leadership and accountability in 2.1.3 can be integrated into the policy(ies) or these can be provided separately.

2.1.3 Leadership and Accountability

A single defined Director or equivalent role shall be designated as accountable for the implementation and maintenance of the SMS. Responsibility for ensuring sustainability principles, values and policies is implemented and sustainability performance is monitored shall be assigned to the sites Directors or most senior oversight body.

Guidance

Policies that cover the site and products being certified may be published at a group level.

Accountability for implementation of principles, values, policy and performance rests with a defined Director or equivalent at the site level. An effective process is in place at Board level to monitor implementation and to make changes where gaps in performance or behaviours are identified. Top management should have discussed the implications of the policies and principles on the organisations strategies and management.

Where a corporate owner defines values, policies and performance expectations, the site's Board or the most senior management forum periodically, at least once per year, reviews performance and reports on implementation at the site level.

2.1 Evidence

Publicly available and accessible Policy(ies) and commitments meeting the required scope and signed by an accountable party. Documented information as evidence of communications, understanding and implementation of the policy(ies) at the site, Management Review meeting minutes, Board meeting minutes, review and annual reporting.

2.2. Stakeholder engagement

Guidance

Effective stakeholder engagement is key to developing a strategic response to sustainability challenges and opportunities.

2.2.1 Stakeholder identification

The organisation shall identify its key stakeholders and make this information publicly available.

Guidance

Inclusive identification of stakeholders is the foundation of this process recognising that not all stakeholders have the same resources or capabilities to engage. Freely enabling an inclusive, full range of stakeholders to engage is therefore dependent on careful engagement design, understanding stakeholder preferences and a systematic approach.

2.2.1 Evidence

Documented and publicly available list of key internal and external stakeholders or Stakeholder Map.

2.2.2 Engagement types

The organisation shall determine the best channels, tools, frequency and format of engagements that enable its range of stakeholders to contribute to decisions in relation to improving sustainability performance.

Guidance

The organisation can choose the most efficient and effective channels and tools for good quality, effective engagement. Examples include:

- Internal Tools: Meetings (in-person and/or online), site tours, intranet, notice boards, electronic information displays, posters, company magazines, newsletters, email, directed reading, employee representation, union/employee/company forum, suggestion schemes, shift change talks, inductions and training
- External Tools: Academic research and projects, opinion surveys, focus groups, media tracking, helpline, contact point, one to one conversations, involvement in community activity, advertisements, newsletters, workshops, open days, public meetings, site tours, publication of company sustainability report and/or site based reporting, third-party opinion/verification/audit reports

2.2.2 Evidence

Documented information as evidence of engagement channels and tools.

2.2.3 Communicating engagement outcomes

The organisation shall document stakeholder engagements, expectations, concerns and outcomes and make a summary publicly available.

Guidance

Documenting engagement outcomes demonstrates the organisation understands the various perspectives and points of view of its stakeholders.

2.2.3 Evidence

Documented information of engagements and evidence of stakeholder expectations, concerns and any agreed outcomes. A public summary of the key concerns and expectations of stakeholders.

2.2.4 Prioritising material impacts

The organisation should document a process to prioritise impacts informed by stakeholder expectations and concerns, science and the organisational context.

Guidance

This information can then feed into a determination and prioritisation of material impacts and the development of appropriate responses. A materiality process is the identification of an organisation's significant and relevant impacts. It informs strategy development, sustainability objectives, the allocation of resources and prioritisation of actions in order to reduce material negative impacts and maximise positive impacts.

Three perspectives should inform the process: sustainability impacts on the organisation including its financial performance; risks and impacts of the organisation on stakeholders and sustainability/non-financial performance (so called 'double materiality') and; scientific consensus and contextual ambition.

'Informed by science' means reflecting international consensus, for example climate change, biodiversity loss and freshwater use are recognised as having breaching planetary capacities that enable humanity to develop and thrive. These are represented by international organisations such as the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). 'Contextual ambition' concerns taking a similar approach for social performance, for example, equal treatment regardless of who you are, and using science to drive equity measures such as equal gender representation in governance and pay. This in turn can be informed through stakeholder engagement outcomes, international declarations and societal norms.

A clear materiality process can be used to inform audit emphasis and to demonstrate appropriate responses to the range of sustainability impacts.

Rating

To score 1, A materiality process, resulting in a materiality matrix within Annex 1, a list of material issues or an equivalent should be completed and should be reviewed on a yearly basis.

To score 2, A materiality process, resulting in a materiality matrix within Annex 1, a list of material issues or an equivalent should be reviewed on yearly basis and should be publicly available to any interested party, e.g. in report available on the web.

2.2.4 Evidence

This can include development and publication of a list of material impacts, a materiality matrix or other documented information as evidence of a materiality process.

Reference:

- The AA1000 Stakeholder Engagement series of standards
- The Global Reporting Initiative (GRI) Standards
- The International Financial Reporting Standards (IFRS) S1 Standard - General Requirements for Disclosure of Sustainability-related Financial Information
- The EU Corporate Sustainability Reporting Directive
- Planetary boundaries research from the Stockholm Resilience Centre
- UN Sustainable Development Goals

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2.3. Assessing risk and opportunities

2.3.1 Risk and opportunity review

The organisation shall complete an initial risk and opportunity review by assessing and documenting its adverse impacts (risks) and beneficial impacts (opportunities). It shall consider these using a life cycle perspective, a right's holder perspective, the degree of influence or control it has over the impacts and periodically update them should it identify a change.

Guidance

Risk and opportunity assessment is necessary to prioritise those impacts requiring control, monitoring and changes to management approach. This process can also identify the most suitable means of control through operating procedures, practices, site instructions, rules, work permits, authorisations, due diligence, training, capacity building, collaboration with other parts of the steel value chain and wider stakeholders.

When first completed this activity, it may take the form of an initial review. The assessment should be periodically reviewed to ensure it is up to date.

Risks and opportunities can be considered from a range of perspectives: likelihood and consequence of each risk and opportunity, including potential financial and non-financial changes on the organisation; risks and opportunities that the organisation presents to others (right's holders) directly or indirectly through its supply chain or downstream through product use and end of life; and risks and opportunities from changes in perception of the organisation. Risks and opportunities may present in different timeframes, be cumulative, temporary or lasting and the assessment of them and mitigation and exploitation options is influenced by the degree of influence and control the organisation has over them.

The scope of the risk and opportunity assessment should include business integrity and ethical practices, environmental impacts, social, labour, human rights, community and socio-economic aspects. Supply chain risk assessment and due diligence is defined in greater detail under 2.10. and can be used as evidence to support this criterion.

2.3.1 Evidence

Documented information as evidence of assessment; e.g. stakeholder engagement outputs, completed materiality matrix, due diligence documentation, risk and opportunity analysis, supply chain risk assessment and evaluation, risk register covering ethical, environment, social and economic risks and opportunities.

2.3.2 Compliance register

The organisation shall identify and access its compliance obligations related to its full range of sustainability impacts and determine how these compliance obligations apply to the organisation.

Guidance

Organisations can maintain formal registers that identify and detail how to access its compliance obligations related to its full range of sustainability impacts and determine how these compliance obligations apply to the organisation. It can be informed by various sources and should be kept up to date.

2.3.3 Non-Compliance risk assessment

The organisation shall assess the risks of non-compliance.

Guidance

An up-to-date compliance register enables compliance obligations and reporting requirements to be maintained. Collating relevant laws, regulations and other obligations enables an understanding and assessment of how these obligations apply to the organisation, the risks of not meeting them and how to meet them. Proprietary services, industry associations, professional memberships and other mechanisms can be used to inform the register.

2.3.3 Evidence

Documented information as evidence of methods the organisation uses to ensure it is up to date with its legal and compliance obligations, compliance and risk assessment, compliance register.

Reference:

- ISO 31000 Risk Management Guidelines standard

2.4. Monitoring performance and setting objectives

2.4.1 Monitoring

The organisation shall establish, document, implement and maintain sustainable development key performance indicators (KPIs) to monitor:

1. Sustainability management, including ethical practices and performance
2. Environmental performance
3. Social including human rights, labour conditions and health, safety and wellbeing performance
4. Economic performance

Guidance

Organisational performance is measured by comparing actual results against desired performance established in objectives. An objective is an overarching goal that the organisation aims to achieve. It provides the general direction and purpose for actions and decisions. A target is a specific, measurable goal that is set to help achieve the objective. Objectives may be qualitative and quantitative, short or long term and need to be robust and cover the range of impact areas identified, with a focus on those areas of highest materiality. Targets should be SMART (Specific, Measurable, Achievable, Realistic and Time Framed).

2.4.2 Objective and target setting

The organisation shall identify and adopt sustainable development objectives and science-based targets, which result in an unambiguous positive effect on each impact and which have been informed by stakeholder review.

Guidance

Collaboration is key to delivering sustainable development performance improvements therefore objectives and targets and the objective and target setting process should be subject to stakeholder scrutiny while objectives are being set. Objectives should be reviewed and open to stakeholder feedback at least annually. An unambiguous positive effect on the impact means that the outcomes and change sought by setting the objectives deliver sustainability performance improvement for the organisation and or for its stakeholders.

When objectives and targets are already in place, they can be ratified and adjusted if required after considering stakeholder feedback and formal review processes. Justifications for final objective setting should be made publicly available. If an objective is deemed confidential, the rationale should be explained to the auditor and it does not need to be made public.

A range of performance indicators should be introduced and maintained including the KPI's within Annex 1. Effective measurement includes the use of leading and lagging indicators. Leading indicators look forward and measure the factors that will deliver the objectives that are sought. Lagging indicators look backwards and measure the outcomes. Leading indicators tend to measure tactical and short-term changes to influence a lagging indicator, which will become apparent after a longer time frame.

Organisations can introduce other relevant KPI's and more frequent monitoring dependent on the nature of the impact and the relevant indicator.

2.4.3 Action planning

The organisation shall establish, document, implement and maintain programme(s) and plan(s) for achieving its objectives.

Guidance

Action plans provide details on how the organisation is going to meet its objectives and can include information on resourcing, training and competencies, business systems, technologies and equipment, financing, engagement, communications, collaboration and any other necessary changes or requirements needed to deliver them. This criterion is about developing and implementing approved and fully resourced action plans. Current status of action plans should be documented.

2.4.3 Evidence

Documented information as evidence of fully resourced action plans.

2.4.4 Transparency

The objectives and summary of plans to meet them shall be publicly available and effectively communicated with interested stakeholders and its effectiveness monitored.

Guidance

Publication of action plans and the sharing of relevant plans with interested stakeholders helps build engagement, trust and accountability. This can be through summaries in Annual or Sustainability Reports or other communications. There is not a requirement to publish information that is deemed commercially confidential or full detail of all plans. The intention is to provide sufficient information to interested parties on the actions being taken (or planned) to manage material impacts.

2.4.4 Evidence

Documented information as evidence of publication of action plans.

2.5. Resource allocation and competence building

2.5.1 Allocating sufficient resources

The organisation leadership shall ensure that appropriate resources are allocated to achieve its sustainable development objectives, company values and commitments.

Guidance

Sustainable development objectives, company values and commitments mean those impacts and aspects covered within the OAS at least to a mandatory level and other formal agreements and commitments made by the organisation. The required types and extent of resources are informed by the risk and opportunity assessment, objective setting and governance structure. Types of resources required might be financial, human or manufactured (such as information systems, metering tools or customer surveys).

An organisation's planning and budgeting processes can be utilised to make these resources available, establish clear responsibilities and authority so that the planned actions can be undertaken effectively.

2.5.1 Evidence

Documented Management Review, Budgets, Company strategies and plans.

2.5.2 Coordinating role for SMS

The organisation shall appoint a management representative with defined and documented authority and responsibilities for coordination and implementation of the SMS.

Guidance

Specific responsibility for sustainability management can be assigned to an individual or combined with another role. Responsibility for managing different aspects of the SMS can be delegated, e.g. Health and Safety Manager, Environmental Manager, Human Resources Manager, Business Ethics Manager.

2.5.2 Evidence

Documented Management Representative Assignment in Job Description or equivalent. Job Description or equivalent to define the responsibility and authority of the management representative(s), their access to records and information, and their avenues of communication with both non-management and management personnel.

2.5.3 Learning and development needs

The organisation shall identify the learning and development needs of employees working in different roles, particularly those with special responsibility for meeting stated objectives and improving sustainability performance.

Guidance

Developing competence and capacity to meet policy expectations and sustainability objectives are foundations for an effective SMS. The learning and development needs of employees working in different levels, particularly those with special responsibility for meeting stated objectives and improving sustainability performance can be assessed and documented.

This may include sustainability primers, for example, basic climate change literacy training for all employees and detailed role specific training needs. This should cover the range of material impacts across environmental, social business ethics, code of conduct, H&S, fundamental rights at work and other areas as identified.

2.5.3 Evidence

Competence Matrix, Training Plan, Documented information as evidence of training on material sustainability impacts and responses to them.

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2.6. Achieving progress and review

2.6.1 Management review

The organisation shall conduct a management review that shall include, at a minimum:

- Sustainability Policy(ies)
- Stakeholder's expectations and concerns
- Material impacts, risks and opportunities
- Responsible sourcing and due diligence progress and outcomes
- Review of the outcomes from previous reviews
- Sufficiency of resources to manage impacts
- Progress of its key performance indicators (KPIs) and against its sustainable development objectives
- Improvement of objectives and targets
- Internal and external performance reporting

Guidance

The management review shall be informed by the nature and extent of changes that may be required in light of the latest science and stakeholder expectations. It shall consider the organisations obligations and objectives and progress towards them, if longer-term strategic changes are required as well as shorter-term tactical management.

The Management review criterion supports step 4 of the OECD due diligence process – 'track implementation and results'.

2.6.1 Evidence

Documented information as evidence required for each impact category (e.g. minutes of management review meeting, performance reporting, stakeholder engagement review , responsible sourcing review).

2.6.2 Maturity matrix

The organisation shall complete the Maturity Matrix within Annex 1.

Guidance

A maturity matrix shall be used to track the evolution and maturity of sustainability management at an organisation based on characteristics that you would expect to see at different levels of organisational maturity.

Reference:

- BS 8902 Annex A - The maturity matrix worksheet within Annex 1

2.6.2 Evidence

Documented information as evidence of Maturity Matrix within Annex 1 or equivalent and if made publicly available.

2.7. Building confidence through transparency

2.7.1 Transparency and Accountability

The organisation shall determine methods to increase transparency, accountability and integrity of its operations, supply and distribution chains and shall publicly report strategies, sustainability management practices and performance of its material sustainability impacts.

Guidance

Public disclosure of the organisation's values, principles, strategies, policies, standards, norms, plans and performance increases transparency, accountability and integrity. Failure to manage the expectations of key stakeholders can damage reputation, organisational and or shareholder value.

At a minimum, public reporting shall cover: a description of the organisation its activities and its material sustainability impacts; the value chain/life cycle stage (from sourcing to final product delivery) indicating where the impacts occur; performance relating to the organisations material impacts; sufficient context to improve stakeholder understanding of the organisational impacts; information on relevant policies; a summary of sustainability strategies for its material impacts; a summary of sustainability objectives and targets; plans and actions the organisation is taking to reduce negative material impacts and increase positive ones; its policies, approach and targets for the responsible sourcing of key input materials.

This transparency and accountability criterion supports step 5 of the OECD due diligence process 'communicate how impacts are addressed'.

2.7.1 Evidence

Environmental, Social, Ethical, Sustainability and Annual Reports and disclosures - can be one or more documents, information on websites and in other formats.

2.7.2 Report assurance and verification

The quality and reliability of the report(s) should be assured and verified by an independent third-party.

Guidance

Independent third-party assurance adds confidence to internal and external stakeholders. It should be done by competent parties, with no conflict of interest, following a systematic approach to a defined standard and to a defined level, that results in a published statement that accompanies the reporting. The assurance scope should be broad enough to cover the most material impact areas. Reporting assurance can be to a set of principles which cover the effectiveness of the stakeholder engagement process in determining material impacts, effective organisational responses and overall impact. They can also include verification of specified data sets.

Rating

To score 2, the report(s) should be assured and material data verified by an independent third-party.

References:

- The Global Reporting Initiative (GRI) Standards and Guidance
- The International Financial Reporting Standards (IFRS) S1 Standard 'General Requirements for Disclosure of Sustainability-related Financial Information' and S2 Standard 'IFRS S2 Climate-related Disclosures'
- National and Industry reporting guidance, e.g. from a government and/or World Steel Association (worldsteel)
- The AA1000 Stakeholder Engagement series of standards International Standard on Assurance Engagements (ISAE) 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'
- ISSA 5000 'General Requirements for Sustainability Assurance Engagements'

2.7.2 Evidence

Documented information as evidence of independent third-party assurance.

Note: CARES does not provide these services and shall not be considered as an independent third-party report assurance organisation in this context.

2.8. Product Stewardship and Traceability

2.8.1 Life Cycle Analysis, Environmental Product Declaration (EPD), and Carbon Footprint Report

Life Cycle Analysis (LCA) shall be carried out on the product(s) that results in an EPD to EN 15804 shall be made available on request. A Carbon Footprint report shall also be completed for fabricator operations.

Guidance

Life cycle is consecutive and interlinked stages of a product system, from input material acquisition or generation from natural resources to end-of-life treatment. LCA is compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle. These can include; the extraction and transport of resources for input material inputs, processing and manufacturing of all feedstocks and final products, distribution, use and treatment at end of use. Life cycle principles consider local as well as global impacts.

An EPD is a standardised way of presenting LCA information. EPD is for steel mills and rolling mills (upstream) and Carbon Footprint Reporting is for fabricators.

The LCA study which informs a fabricators carbon footprint report shall conform to ISO 14040 and ISO 14044.

For fabricators, accurate LCA, including carbon footprint, reporting shall include: Upstream steel supplies GWP A1-A3, recycled content and process route as per EN15804 by taking into account third-party verified EPDs acceptable to CARES and using the weighted averages.

Transport data from steel mill or rolling mill to fabricator.
Transport data from fabricator to contractor.

2.8.1 Evidence

Documented information as evidence of LCA, Carbon Footprint Report from CARES or equivalent acceptable to CARES covering 'cradle-to-gate with options' LCA (Product, Transport, Installation, Use, End of Life stages) and that this information and the steel producer EPD is made available to customers and other stakeholders.

2.8.2 Traceability

The organisation shall ensure traceability throughout the full life cycle and make the extent of traceability publicly available.

Guidance

The ability of any customer to trace a specific order back to the specific Batch (cast/heat) is a mandatory requirement of the scheme. Organisations shall seek to understand and document the current boundaries of their knowledge across the whole value chain and network. This should consider upstream to the origins of key input materials and downstream to the ultimate client and users of the product. Limitations of traceability should be understood and documented. Acceptable

reasons for not being able to trace further back up the supply chain include: where materials come from a commodity market whereby some of the upstream sources are currently unidentifiable.

Basic controls shall be placed on any 'untraced' parts of the supply chain. These can include an assessment of where the key sustainability impacts occur across the value chain and efforts taken to reduce these impacts. OECD or equivalent aligned, due diligence processes and engagement in industry or multi-stakeholder initiatives are used by steel producers to identify and seek to address risks in the untraced parts of the supply chain.

All CARES approved steels are 100% traceable at a batch and product level to the original steel producer using an Identity Preserved chain of custody model to ISO 22095. The use of the CARES Cloud and Digital Record shall be used to provide traceability to steel production.

2.8.2 Evidence

Documented Procedure(s) for identification, traceability and labelling. 100% of Tier 1 suppliers (by mass and volume) and 90% of their upstream suppliers (Tier 2), as far as is reasonable, shall be traceable. Documented justification for how far back up the supply chain the organisation can influence and trace shall be made publicly available. Documented evidence of use of the CARES Cloud and Digital Record.

Reference:

- ISO 14025, Environmental labels and declarations – Type III Environmental declarations – Principles and procedures
- EN 15804, Sustainability of construction works – Environmental product declarations – Core rules for the product category of construction products
- CARES General Instructions – EPD Programme
- CARES Product Category Rules (PCR)

2.9. Ethical Business Practices

2.9.1 Business ethics policy

The organisation shall implement a Policy(ies) detailing its approach to ethical business practices.

Guidance

Ethical business practices are reflected in day-to-day business, transactions and employee behaviours through professional and morally responsible conduct. These types of practices typically seek to implement organisational values and a defined code, promoting the goals of the company while protecting employees and customers, respecting fair competition and avoiding bribery and corruption.

2.9.1 Evidence

Policy(ies), Codes of Conduct, Codes of Ethics, Codes of Ethical Business Practices, Procurement codes.

2.9.2 Business ethics system

The organisation shall implement a system to maintain ethical business practices and avoid bribery and corruption.

Guidance

Ethical business practices can be maintained through systems, culture and means of recourse if ethical standards are not met. Where ethical practices risk falling below defined standards, there are inclusive mechanisms in place that provide for or enable cooperation in remediation through legitimate processes in line with the UN Guiding Principles on Business and Human Rights.

This can include grievance mechanisms, programs to ensure fair hiring and promotion within a company, issuing guidance on expected behaviours in interactions with customers and other stakeholders and through acting according to Code of Conduct and with integrity in any communications, marketing and sales.

Additional codes, guidance and requirements may apply to any higher risk employees, for example, those with transactional or budgetary authority, such as procurement and purchasing teams.

2.9.2 Evidence

Documented information as evidence of Policy(ies), Codes of Conduct, Codes of Ethics, Codes of Ethical Business Practices, Procedures for implementation, Grievance mechanism (see section 3.1.12), Complaint Procedure and Whistleblowing Procedures.

2.9.3 Customer Service

The organisation's customer service provision shall include, at a minimum:

1. Customer enquiry procedures
2. Customer complaints procedures
3. Product and service literature
4. Product Health, Safety and Environmental (HSE) disclosures
5. Risk and opportunity control measures

Guidance

Customer Service procedures should be publicly available and easily accessible for enquiry and complaints, including in product and service literature.

In addition to accurate and timely product and service information, the organisation shall provide appropriate documented information to customers to enable them to understand the HSE impacts of the product in use and at subsequent life-cycle stages and any measures that are needed to manage associated risks and opportunities.

Product HSE information that shall be included in customer communication and product data sheets, includes, for example:

- The composition of the steel products does not change during use.
- Steel products do not cause adverse health effects under normal conditions of use.
- There are no risks to the environment and living organisms are known to result from the mechanical destruction of the steel product itself.
- That steel is 100% recyclable and at end of life should be separated for reuse or recycling.

2.9.3 Evidence

Documented information as evidence required in each category.
Documented product data sheets or equivalent information.

2.9.4 Grievance Mechanism

The organisation shall have a system(s) for dealing with incidents, external stakeholder complaints and prosecutions.

Guidance

The grievance system should be aligned to the UN Guiding Principles of Human Rights and Business Criterion 31 which sets out the following effectiveness criteria for non-judicial grievance mechanisms; Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, A source of continuous learning, Based on engagement. The scope of the grievance procedure(s) shall include all sustainability aspects; ethical breaches, environmental incidents, working conditions, human rights, fair marketing and communications, anticompetitive behaviours and other economic complaints. Organisations should be able to demonstrate how complaints are evidenced, evaluated and brought to a resolution, through appropriate responses. Data that enables the monitoring of numbers of grievances and complaints raised, in evaluation and resolved should be maintained.

Stakeholders shall be made aware of the grievance mechanism and how to use it. This might include publication of a visible, easily accessible weblink and or hotline number on the company website, on supplier communication, site posters and other employee communications and through employee training. The ability to report a grievance anonymously can add credibility to the mechanism. Many third-party solutions are available in the marketplace for this purpose.

2.9.4 Evidence

Documented information as evidence of grievance procedure(s), stakeholder complaint monitoring, prosecutions management and system to manage complaints and

prosecutions (e.g. emergency procedure, incident investigation procedure, grievance and complaint management procedure, communication procedure, helpline/recognised way to contact the organisation, provision for emergency access to the organisation).

2.9.5 Complaints and prosecutions

The organisation shall complete the "KPI" within Annex 1 for "Stakeholder Complaints and Prosecutions."

Guidance

CARES requires the recording of the total number of ethical, environmental, social and economic incidents recorded and reported to an external Regulator in the data collection/reporting period; those that resulted in the issuance of enforcement and/or prohibition notices by an external Regulator in the data collection/reporting period; and those that resulted in a successful prosecution by an external Regulator in the data collection/reporting period. The total value of fines per calendar year for the past three years on a rolling basis shall be recorded.

2.9.5 Evidence

Completed KPI's contained within Annex 1.

Reference:

- UN Guiding Principles of Human Rights and Business (Criteria 31 indicate the key requirements that make a good quality grievance mechanism)

2.10. Ethical Supply Chain Practices (Responsible Sourcing).

2.10.1 Responsible sourcing policy

The organisation shall approve and publish a Responsible Sourcing Policy/an Ethical Supply Chain Practices Policy/ a Sustainable Procurement Policy or equivalent.

Guidance

Responsible sourcing is the management of sustainable development and ethical business practices in the provision or procurement of a product or materials. Its scope includes from the points at which a material is extracted in its input state, through manufacture and processing, until its arrival at the organisations site for use.

It is supported by a commitment from senior management to continual improvement of performance in relation to sustainability impacts, stakeholder engagement, labour practices and management practices across supply chains.

The Responsible Sourcing Policy shall be communicated to at least all Tier 1 suppliers and they shall be required to communicate it or equivalent requirements to its suppliers and to further tiers of the supply network. Its scope shall be aligned to the material sustainability impacts covered by this scheme.

2.10.1 Evidence

Relevant Policy(ies), Codes of Ethics, Supplier Code of Conduct, Codes of Ethical Business Practices and communications of expectations that relate to suppliers and which define the organisations approach to responsible sourcing. Any policies should be approved by senior managers and include a commitment to continuous improvement.

2.10.2 Responsible sourcing system

The organisation shall document a system for responsible sourcing, map sustainability impacts and risks to purchase categories, relevant suppliers and indirect supply networks back to input materials.

Guidance

The supply chain is the network of businesses involved in the supply and purchase of materials and goods from input materials to final product. Many organisations seek to optimise their supply chain as a means of gaining competitive advantage. Whilst supply networks are normally very large, an organisation can seek a positive sustainability impact where it has most influence and can tackle the most significant (material) issues. This may be in collaboration with others. It can communicate expectations about other issues it has less influence over.

The 'Transport Impact' worksheet within Annex 1 provides information about supplier locations and the provenance of input materials and feedstock. For fabricators, this should include the sources of all steel inputs at a minimum.

2.10.2 Evidence

Documented information as evidence of supply chain impact mapping. The organisation should indicate which suppliers are most important in terms of sustainability impact and risk.

Documented information as evidence of a systematic approach to responsible sourcing.

2.10.3 Due Diligence

The organisation shall document and implement a supply chain Due Diligence process covering Human Rights, Labour Rights, Environmental Impacts and Ethical business practices that is aligned to OECD guidance.

Guidance

For fabricators, the expectation is that the organisation communicates the requirement that its steel producer suppliers conduct OECD aligned human rights and environmental due diligence and that the results of these due diligence processes and any actions taken are shared with the fabricator and made available to customers. As such, the guidance for steel makers for due diligence is contained in the Steel Mill Guidance document and can be referenced to inform the fabricator on an effective OECD aligned process. The fabricator may additionally wish to conduct basis human rights and environmental due diligence on its other suppliers, including of services, as part of its responsible sourcing activities.

Key input materials for fabricators include steel for fabrication. Over time there is an expectation that the due diligence system effectively prioritises the highest risk areas and is expanded to cover the full supply chain. Human rights risks may also be found in service contracts, for example in logistics, cleaning, catering, labour agencies and other services. Therefore, service providers are in scope of sustainability due diligence.

2.10.3 Evidence

Documented information as evidence of supplier due diligence process and implementation. Fabricators should request this information from steel suppliers.

2.10.4 Conflict Affected and High-Risk Areas (CAHRA)

The organisation shall document its process to ascertain that it does not contribute directly or indirectly to armed conflict, human rights abuses or risks for workers and communities in conflict-affected and/or high-risk areas.

Guidance

Where an organisation or supplier operates in a high-risk area, which can be characterised by the presence of active conflict, political instability, repression, armed militias or other destabilising factors, the risks to human rights and environmental infringements rise significantly. For more information see the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Where risks are established, depending on the severity and nature of the risk, this does not necessarily mean that the organisation should cease business with the supplier as engagement with the supplier to develop control and improvement plans can lead to harm reduction, mitigation and restoration of rights.

Risk is greater within steel producer supply chains. Fabricators should incorporate CAHRA into their due diligence requests from their steel suppliers.

Rating

To score 2, the organisation can demonstrate it is not operating in or sourcing steel from a high risk location or that it has relevant policy and procedures in place to manage the increased risks.

2.10.4 Evidence

In these circumstances, the organisation should have documentary information as evidence of a public policy confirming that it does not tolerate any direct or indirect support to non-state armed groups or their affiliates and procedures in place to monitor its transactions, funding and resourcing to ensure it is not supporting non-state armed groups and to suspend engagement with business partners where there is a reasonable risk that they are doing so.

A fabricator should request confirmation from steel suppliers and be able to document and demonstrate that it is not sourcing steel from a CAHRA or sanctioned location, or that it has policy and control plans in place to manage impacts and risks.

2.10.5 Responsible sourcing evaluation

The organisation shall complete the "KPI" within Annex 1 for "Responsible Sourcing evaluation scope" and meet the thresholds described.

Guidance

The organisation shall evaluate its key input material and service suppliers, during supplier selection and evaluation, for ethical, environmental, social and economic impacts and shall record the scope of its evaluation using the KPI within Annex 1. This can be achieved through demonstrating that the responsible sourcing and due diligence process informs supplier selection and evaluation.

Buying steel from SCS approved or an equivalent certification approved by CARES meets this requirement for steel inputs.

The coverage of the supplier evaluation and selection system should expand to cover all suppliers. This criterion is to recognise and credit those approved firms with more extensive evaluations of its responsible supply chain. It is expected that the risk assessment will focus evaluations on higher risk materials and suppliers. The evaluation of lower risk materials, categories and suppliers should be proportionate to the level of risk and documented.

Responsible sourcing evaluation scope can be part of its supplier due diligence process.

2.10.5 Evidence

Documented information as evidence of supplier selection and evaluation system (e.g. supplier questionnaire, supplier evaluation form, approved supplier list, supplier statement, supplier due diligence) and the organisation shall complete the 'KPI' within Annex 1 for 'Responsible Sourcing evaluation scope' or Documented information as evidence of purchase from CARES SCS certified suppliers or equivalent acceptable to CARES.

2.10.6 Responsible sourcing certification evaluation

Fabricators should track the responsible sourcing certifications held by their suppliers by mass of materials purchased.

Rating

For fabricators, Score 2 as all rebar/mesh/other steel inputs shall be purchased from a CARES SCS certificated supplier(s) or from organisations possessing a valid sustainability certificate acceptable to CARES.

2.10.6 Evidence

Documented information as evidence of supplier certification by supplier and mass of steel procured to: The CARES SCS scheme, ISO 9001, ISO 14001, ISO 45001, BES 6001: Responsible Sourcing of Construction Product certification, The ResponsibleSteel International Production Standard (for the production of feedstock), The Global Steel Climate Council – The Steel Climate Standard (for GHG emissions impacts of feedstock). Additional schemes used by organisations can be submitted to the CARES for consideration of recognition.

2.10.7 Responsible sourcing - Training

Sustainability training should be offered and provided to suppliers and a training record kept.

Guidance

Management system certifications offer valuable evidence of responsible sourcing practices however, the scope may be limited and they do not necessarily cover all the expectations of the approved firms Responsible Sourcing Policy or the scope of the SCS scheme. As such, additional training can help to close knowledge and competence gaps and to share expectations with suppliers.

Rating

To score 2, the organisation can provide documentary information as evidence of supplier training on sustainability.

2.10.7 Evidence

Documented information as evidence of training content provided. Training register listing locations, durations, trainers, attendees.

Note: Suppliers may be invited to attend internal training.

2.10.8 Fair Treatment of Suppliers - Policy

The organisation should assess extent of suppliers' QMS The organisation shall implement a Policy(ies) and/or Codes of Conduct that includes the fair treatment of suppliers.

Guidance

Fair treatment of suppliers is part of ethical business practices and a statement affirming the organisations commitment to treat suppliers fairly shall be included within a Policy(ies) and/or Codes of Conduct.

2.10.8 Evidence

Documented information as evidence of a commitment to the fair treatment of suppliers. This evidence can include Policy(ies), Codes of Conduct, Codes of Ethics or equivalent documentation that has been approved by an authorised senior decision maker.

2.10.9 Fair Treatment of Suppliers – Monitoring

The organisation shall complete the 'KPI' within Annex 1 for 'Fair Treatment of Suppliers'

Guidance

This criterion is about complaints against the organisation by suppliers. There can be a separate complaints mechanism for monitoring supplier complaints or it can be part of the organisations wider grievance mechanism.

2.10.9 Evidence

the 'KPI' within Annex 1 for 'Fair Treatment of Suppliers'

2.10.10 Fair Treatment of Suppliers – Performance

The organisation should reduce supplier complaints as measured using the 'KPI' within Annex 1 for 'Fair Treatment of Suppliers'

Guidance

This criterion enables changes in complaints against the organisation by suppliers to be tracked. The organisation should use the information about the nature of supplier complaints to assess and, as necessary act on the reasons for supplier complaints and to reduce them over time.

Rating

To score 2, the organisation should reduce number of supplier complaints compared to previous reporting year OR have had no supplier complaints in previous reporting year.

2.10.10 Evidence

Completed 'KPI' sheet within Annex 1 for 'Fair Treatment of Suppliers'.

Reference:

- The OECD Due Diligence Guidance for Responsible Business Conduct (2018)

2.11. Significant changes, closure and decommissioning

2.11.1 Significant changes, decommissioning and closure provisions –

The organisation shall make provisions to minimise short and long-term social, economic and environmental implications of significant changes to the production site, decommissioning and closure.

Guidance

This criterion is only applicable to organisations where there are plans for significant changes to the production site, full or partial decommissioning or closure is announced while an organisation is certified. Organisations may have significant changes, decommissioning and closure procedures as part of group provisions.

Significant changes, full or partial decommissioning and closure of steel operations can have social and economic impacts on local communities. Transparency and engagement are critical to a successful process and to minimise negative impact of changes.

Significant changes are defined as those that result in a reduction of more than 10% of the workforce, a closure of a production process or stage, any production process change that changes material environmental or social KPI's by more than 10%.

Plans shall include implementation cost and timelines; employee and where necessary community engagement and communication needs, mitigation measures on employees, community, local environmental and socio-economic impact.

For fabricators, this might mean closure or opening of a site and if so, a fabricator would be expected to demonstrate how it is complying with employment and environmental legislation during the period.

2.11.1 Evidence

Documented information as evidence of engagement in relation to significant changes, full or partial decommissioning and/or closure or opening of a site and of a plan to manage the transition.

If not applicable, and acceptable reasoning documented, this is sufficient to meet the mandatory requirement.

3. Environment

The organisation shall have a defined approach to managing its impacts on the environment at a local, regional, national and global level.

Mandatory Requirements

- Documented information as evidence of the management of environmental impacts
 - Documented Procedure(s) to control subcontract works and contractors
- Documented Procedure(s) for purchasing feedstock

SDG Alignment – 3. Environment



3.1 Harvesting or extraction impacts

Guidance

Originally made from Iron Ore, a finite resource, harvesting does not apply. This impact is highlighted as it is important to building performance certification schemes and a key impact of the iron ore mining industry. CARES supports the raising of sustainability management and performance in the mining industry and in the extraction of other alloying elements as well as in all other procurement categories.

Responsible Sourcing criteria (2.10), including measuring the extent of accredited management system and other certifications at input material suppliers and working with suppliers to reduce extraction impacts further up the supply chain, where relevant, are expectations of the scheme.

3.1.1 Harvesting

No requirement - For information only

3.1.2 Extraction impacts

No requirement. For information only

3.2. Materials Efficiency, Recyclability and Recycled Content

3.2.1 Material efficiency

The organisation shall include a commitment to maximise material efficiency and optimise the use of recycled materials in its sustainability policy, implement a process to maximise material efficiency and use of recycled materials and complete the "KPI" within Annex 1 for "Primary Material Use and Material Efficiency" or 'Material Efficiency'.

Guidance

Careful selection and efficient use of materials is critical to commercial success and material efficiency shall be a policy commitment. For fabricators, reducing waste and efficiently using input materials are the key determining factors.

3.2.1 Evidence

Documented information as evidence of policy commitment and the organisation shall complete the 'KPI' within Annex 1 for 'Material Efficiency'

3.2.2 Material efficiency progress

The organisation should assess the environmental impacts and efficiencies of 'Material Use' and set objective(s) relating to these impacts.

Guidance

The Fabricator should be able to demonstrate that it has objectives in place to identify options for and to implement plans that improve material efficiency.

Rating

To score 1, the organisation should set objective(s) to increase efficiency and to reduce the environmental impacts of 'Material Use'.

To score 2, the organisation should achieve objective(s) to increase efficiency and to reduce the environmental impacts of 'Material Use'.

3.2.2 Evidence

Documented information as evidence of 'Material Use' impact assessment, Objective(s) to reduce environmental impacts of 'Material Use', programme(s) and plan(s) for achieving its objective(s).

3.2.3 Recycled content

The organisation shall measure, in accordance with the KPI calculation, document and report to CARES the recycled content in accordance with ISO 14021 by completing the 'KPI' within Annex 1 for 'Recycled Content'.

Guidance

Steel is the most recycled material in the world, with over 650 Million tonne recycled annually, including pre- and post-consumer scrap. It can be recycled indefinitely, which helps to save energy and input materials, reduce CO₂ emissions and reduce the waste generated from input materials extraction.

Recycled Content (RC) is included in the EPD from LCA calculations. Fabricators shall ask suppliers to provide RC of their billets and calculate annual average by weight of purchased billets.

3.2.3 Evidence

The organisation shall complete the 'KPI' within Annex 1 for 'Recycled Content'

3.2.4 Recyclability

No requirement - For information only.

Guidance

Recyclability is 100% as steel can be indefinitely recycled without losing its properties and with minimal losses. This is included for information only. No action is required.

This criterion is included to align with Building Rating System requirements.

3.2.5 Renewability

No requirement - For information only.

Guidance

Originally made from Iron Ore, a finite resource, 'renewability' does not apply. This is included for information only. No action is required.

This criterion is included to align with Building Rating System requirements.

3.3. Energy and Water Use

3.3.1 Energy intensity

The organisation shall include a commitment to reduce energy intensity in its sustainability policy, implement a process to reduce energy intensity and complete the "KPI" within Annex 1 for "Energy Intensity".

Guidance

Energy intensity is measured by the quantity of energy required per unit output or activity, so that using less energy to produce a product reduces the intensity. Energy efficiency refers to the activity or product that can be produced with a given amount of energy. Fabricators shall make a policy commitment, measure its Energy intensity and seek to reduce it.

3.3.1 Evidence

Policy commitment and completed "KPI" within Annex 1 for "Energy Intensity".

3.3.2 Renewable and low carbon energy

The organisation shall complete the "KPI" within Annex 1 for "Renewable and Low Carbon Energy" and shall publicly report the value.

Guidance

As part of efforts to decarbonise primary and secondary production, leading companies globally are reducing carbon intensity by utilising electricity produced from renewable (or zero carbon) energy and using renewably produced heat. This approach has considerable potential to reduce steel's GWP and to move steel production towards a circular, sustainable model.

One of the easiest ways for Fabricators, is to self-generate or purchase renewable or low carbon electricity. Renewable electricity is generated from renewable resources such as the sun, the wind and the flows of water including tidal and hydropower, as well as well managed biofuel generated electricity. Low carbon generation includes nuclear power, which is not renewable but produces significantly lower GHG emissions than fossil fuel produced power. Renewable heat technologies include solar pre-heating, heat batteries, heat pumps including for space heating and industrial processes and heat exchangers to recover lost heat.

Claims on renewable energy or low carbon sources should be substantiated with verifiable documented evidence such as direct generation monitoring, certified renewable energy generation certificates (RECS) and shall be consistent with a specified, recognised international or national standard or regulation and be publicly reported. Recognised standards include the quality criteria set in the GHG Protocol Scope 2 guidance and the RE100 credible claims guidance. REC's shall be applied for the quantity and time period specified and retired to qualify.

Best practices to improve accuracy, incentivise investment where it is needed most and in the most effective technologies is for approved firms to match their energy consumption with clean energy production hour by hour, not just annually and to buy RECS from the same grid region where the energy is consumed.

For the proportion of electricity supplied through a national grid, the inclusion of a percentage representing renewable energy generation in national electricity grid mixes is acceptable. These grid factors shall be for the most recent year available, shall be based on official national grid mix emissions factors where available and IEA grid mix emissions factors where not.

The use of biofuels within electricity generation to reduce GHG emissions is controversial as many scientists argue that in the time frames available to us to reduce GHG emissions to keep within Paris aligned pathways, biofuels use will not reduce emissions. There are many questions over the broader sustainability of biofuel products including deforestation, land use changes and labour conditions. However, current national grid factors include biofuel generated electricity as renewable and so are included in the scope of this criterion.

3.3.2 Evidence

Completed "KPI" within Annex 1 for "Renewable Energy".

3.3.3 Energy use objectives

The organisation shall assess the environmental impacts of its Energy Use and set related objective(s). This shall include its use of direct and indirect renewable energy and its objectives and timeline for investment and increased usage.

Guidance

Energy use, efficiency and reductions, as well as energy source selection are part of an overall energy management programme. As well as an overall site based approach, significant energy using processes can be determined and improvement objectives defined. These include space heating, lighting and equipment. When more than one objective is in place, e.g. objectives per process, then the organisation should justify the balance of whether its overall objectives have been met. Clear time bound and costed plans with priority actions should be in place to enable implementation and tracking of the plans.

Rating

To score 1, the organisation should set an overall objective(s) to reduce environmental impacts of Energy Use.

To score 2, the organisation should set and achieve its overall objective(s) to reduce environmental impacts of Energy Use.

3.3.3 Evidence

Documented information as evidence of Energy Use impact assessment, Objective(s) to reduce environmental impacts of Energy Use, programme(s) and plan(s) for achieving its objective(s).

3.3.4 Water use and stewardship

The organisation shall include a commitment to minimise the impacts related to its water use in its sustainability policy, understand if water is a material issue for the site and if so, implement water use reductions measures where viable.

Guidance

Global pressures on fresh water are rising, with increasing populations, increased economic activity, changes to land-use, climate change, pollution all contributing to water stress. Demand from many other sectors and sources such as agriculture adds to the social, environmental and economic impacts. Water is an essential resource to the steel industry but is typically a less material impact for fabricators. Its use needs to be managed efficiently to minimise demand on water supplies based on availability and the needs of other users of water in the catchment/watershed area, together with its treatment and return to the water cycle. Taken together this is seen as good water stewardship.

A water impact assessment can be completed and should reflect the local context, the catchment, consider availability and quality, other local users and needs, any seasonal or temporal variability, extreme events and potential changes due to climate change. Understanding water risks can be enhanced by the use of tools such as the World Resources Institute 'Aqueduct' tool which can help identify water stressed locations. Good water stewardship relies on a contextual view of the operations in light of the catchment and other water users, including other industrial users, domestic users the natural world and ecosystem services provided.

Where water risks are identified the site should implement an action plan to address water related challenges. Developing a water inventory and a water balance, which tracks all water inputs into the operational site, all losses, treatment and return to water courses, can be an effective way of identifying improvement opportunities.

Where water use can be shown not to be a material issue for Fabricators in the specific location, due to minimal use, e.g. for hygiene and break facilities only, no objectives are needed.

3.3.4 Evidence

Documented information as evidence of Water Use impact assessment, relevant stakeholder input, objective(s) to reduce the environmental, social and economic impacts of Water Use and emissions to water, programme(s) and plan(s) for achieving its objective(s).

Completed 'KPI' within Annex 1 for 'Water Use'.

Reference:

- ISO 50001, 'Energy Management Systems - Requirements with guidance for use' provides more information on energy management systems.
- World Resources Institute (WRI) Greenhouse Gas Protocol
- International Energy Agency (IEA) Emissions Factors
- World Resources Institute 'Aqueduct' tool
- WWF's Water Risk Filter and WWF's Contextual Water Targets guide
- Alliance for Water Stewardship – International Water Stewardship Standard
- ISO 14046, 'Environmental management - Water footprint - Principles, requirements and guidelines' provides detail on water inventories and footprinting.

3.4. Biodiversity and Ecotoxicity

3.4.1 Biodiversity impact assessment and management plan

The organisation shall conduct a review to identify how its operations and activities impact (directly and indirectly) on biodiversity, shall have a system to enhance the biodiversity of the site and shall have objective(s) to improve biodiversity and programme(s) and plan(s) for achieving its objective(s) that aligns to the biodiversity mitigation hierarchy.

Guidance

The Convention on Biological Diversity defines biodiversity as the variability among living organisms from all sources including, among others, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within species, between species and among ecosystems.

Dramatic falls in biodiversity have been recorded in recent years. Biodiversity is essential for ecosystem functioning and to deliver the ecosystem services that we depend on such as clean air, water, soil generation, crop pollination and for the development of drugs, food and resources. Biodiverse ecosystems help to support species diversity, contributing to maintaining genetic diversity, in turn helping avoid diseases and healthy flora and fauna populations.

The steel and construction industries shall follow the biodiversity mitigation hierarchy (avoiding impact, mitigating impact, restoring biodiversity and offsetting as least desirable measure), by enhancing the biodiversity in its immediate environment and avoiding biodiversity loss in any site expansion or change.

Responsible site stewardship includes recognising the importance of national heritage, biodiversity and geodiversity during site development planning, in use and after the end of life of each site. Any change to natural habitat shall only be done further to consultation with relevant stakeholders and shall result in no net loss of biodiversity. Changes to critical habitats should be avoided. Identification of Alien Species shall be included in any biodiversity assessment.

Initial assessments for biodiversity are often legal requirements for new construction and where these have been done, this remain sufficient evidence unless there is a significant change in operation or activities on site planned, in which case a biodiversity assessment should be completed.

Fabricators are often located in industrial parks and areas where it is assumed biodiversity is not relevant. This is not the case and there are considerable opportunities to improve biodiversity in industrial locations. Examples include installation of bird boxes (for various species depending on location), 'bug hotels', wildlife friendly planting if any areas of site are landscaped and the avoidance of or careful selection and reduction in use of pesticides and herbicides.

3.4.1 Evidence

Documented information as evidence of biodiversity assessment, objectives, plans and implementation of actions taken that enhance biodiversity. ISO 14001 EMS Operational Control Procedures, Documented Procedure(s) showing biodiversity as a managed impact.

3.4.2 Ecotoxicity

The organisation shall conduct a review to identify how its operations and activities impact (directly and indirectly) on ecotoxicity, shall have a system to reduce the impacts of ecotoxicity and shall have objective(s) to reduce ecotoxicity and programme(s) and plan(s) for achieving its objective(s).

Guidance

Ecotoxicity is the potential of a biological or chemical substance or physical agent to harm an ecosystem and the organisms that live in it. It can also refer to the negative effects of an activity on the environment. Hazard assessments shall be completed and management processes put in place to avoid and minimise ecotoxicity. More benign materials can be identified for materials substitution and new technologies and processes can support ecotoxicity reduction.

3.4.2 Evidence

Documented information as evidence of an understanding of the ecotoxicity of operations gained through a hazard assessment of chemicals and other biological or physical agents procured and used for steel fabrication, e.g. lubricants, cleaners, solvents, chemical additives etc. The scope of the assessment shall include all Substances of Very High Concern (SVHC) in Annex XIV of European Regulation (EC) No 1907/2006 (REACH); and Substances on the SVHC Candidate List.

ISO 14001 EMS Operational Control Procedures, Documented Procedure(s) showing ecotoxicity as a managed impact. Objectives, Plans and Implementation evidence of actions taken to reduce ecotoxicity, where ecotoxic substances, SVHC or candidate list substances have been identified, shall be maintained.

3.4.3 Protected sites

The organisation shall identify legally designated sites, sites of special scientific interest or other protected and natural heritage sites close to its operations, whether the organisation impacts on them and how it impacts on them.

Guidance

Protected sites include legally designated sites, sites of special scientific interest or other protected and natural heritage sites close to its operations. Sites may have special cultural and historical significance including to indigenous and other local people. Consideration of cultural and historical significance should be included and highlighted in assessments of protected areas.

The organisation shall not instigate activities in adjacent: World Heritage sites; Protected areas of the IUCN protected area management categories I-VI and conservation areas protected under national or local law; Indigenous and community-conserved areas (ICCAs) unless such activities are endorsed with the Free, Prior and Informed Consent (FPIC) of the affected peoples and communities; Ramsar sites; Key Biodiversity Areas (KBAs) or other sites protected by national or regional legislation.

3.4.3 Evidence

Documented information as evidence of environmental impact assessment that includes an identification of any protected sites. Completing this action once is enough to achieve this requirement unless there is a change in local circumstances.

3.4.4 Protected species

The organisation shall identify any protected, endangered (red list) species, species of importance to local people, species of importance to local economy in the impact area of its operations.

Guidance

Protected species include any protected, endangered (IUCN red list) species, species of importance to local people and species of importance to the local economy in the impact area of its operations. The impact area of the site includes areas outside of the direct site boundary which are impacted by associated services or outputs of the site. These could include lorry movements or site lighting for example.

3.4.4 Evidence

Documented information as evidence of environmental impact assessment. Completing this action once is enough to achieve this requirement unless there is a change in local fauna or local stakeholder expectations.

3.4.5 Biodiversity risk tracking

The organisation shall complete the "KPI" within Annex 1 for "Land Use and Biodiversity Rich Habitats".

Guidance

'Biodiversity Rich Habitats' are defined as those areas officially recognised by a designation as a local, state or national park, any statutory protected area or any area which is habitat locally recognised as being rich in biodiversity. The organisation should avoid expanding into biodiverse rich habitats.

3.4.5 Evidence

Completed "KPI" within Annex 1 for "Land Use and Biodiversity Rich Habitats"

3.4.6 Biodiversity projects

The organisation should run projects or initiatives which either reduce ecotoxicity and/or improve local biodiversity and ecosystems.

Guidance

Credit can be gained for projects or initiatives which either reduce ecotoxicity and/or improve local biodiversity and ecosystems. Examples include where sites have created wetlands and reedbeds as part of water treatment processes, substituted and procured less toxic chemicals, improved the management of them, introduced landscaping and planting in ways that are good for biodiversity, created or maintained particular habitats on site or in adjacent and neighbouring areas in collaboration with local communities and organisations.

Rating

To score 1, the organisation should complete an action to reduce or better manage the ecotoxicity of operations or to improve the biodiversity of the site or surrounding area, e.g. a volunteer project to enhance the future biodiversity of the site and surroundings during reporting period.

To score 2, the organisation should request that their key suppliers conduct ecotoxicity and biodiversity assessments.

3.4.6 Evidence

Documented information as evidence of a project or initiative that reduces the ecotoxicity of operations, removes any alien species and/or improves local biodiversity.

3.4.7 Reporting

The organisation should monitor and report the impact of ecotoxicity and other impacts on local biodiversity on a yearly basis.

Guidance

Monitoring and reporting the impact of ecotoxicity and other impacts on local biodiversity on a yearly basis is good practice.

Rating

To score 1, Biodiversity impact assessment findings should be reported to internal stakeholders on yearly basis.

To score 2, Biodiversity impact assessment findings should be reported on yearly basis and should be publicly available.

3.4.7 Evidence

Documented information as evidence of biodiversity impact assessment and management reporting including of performance against set objectives.

Reference:

- The Convention on Biological Diversity (CBD) includes 12 principles for implementing an ecosystem approach.
- The Biodiversity Consultancy publishes information on the biodiversity mitigation hierarchy and other resources.
- The Integrated Biodiversity Assessment Tool (IBAT) Alliance (source of a variety of databases, tools and resources)
- The International Union on the Conservation of Nature (IUCN) Red List of Threatened Species
- World Database of Key Biodiversity Areas
- World Heritage List
- Protected Planet (protected areas database)
- The Task Force for Nature Related Financial Disclosures - Getting started with adoption of the TNFD recommendations and other publications.
- Expedition Engineering - The Embodied Biodiversity Impacts of Construction Materials

3.5. Greenhouse Gas (GHG) Emissions, Global Warming Potential (GWP) and decarbonisation

3.5.1 Climate Change Measurement, Monitoring, and Reporting

The organisation shall have a system for measuring, monitoring, and publicly reporting its GWP.

Guidance

The global steel industry is responsible for 7-9% of GHG emissions. The Paris Agreement and national implementing agreements and legislation mean that GHG emissions need to be reduced to net-zero by around the middle of this century for the world to reduce the risks of global overheating to level deemed acceptable, 2°C above pre-industrial levels with efforts to limit temperature increases to 1.5°C.

The world is not currently on track to achieve these reductions with average temperatures exceeding the 1.5°C above pre-industrial levels threshold in recent years. Therefore to minimise risks according to the Paris Agreement, even quicker reductions are now required.

In the steel industry, Global Warming Potential (GWP) is mainly caused by CO₂ and CH₄ emissions in production, although other GHG emissions may contribute to overall GWP. GWP is measured by kg-CO₂ equivalent per tonne of steel produced. CARES adopts and uses the GWP data within third-party verified EPD to determine organisational impact on global heating as per an EPD or Carbon Footprint Report, to defined standards. These are widely recognised within the construction industry and readily available. Third-party verified EPD is mandatory under the CARES SCS scheme and should be obtained by fabricators for steel procured and made available to customers on request, together with a Carbon Footprint Report.

To establish the annual GWP of the fabricator or the GWP of fabrication contracts, weighted averages of GWP should be used based on the tonnes of steel procured from each steel producer each year. Information from the Carbon Footprint Report shall be publicly available.

3.5.1 Evidence

Completed "KPI" sheet within Annex 1 for GWP.

Weighted averages of third-party verified EPD Reports to EN 15804 for cradle-to-gate with options, for Life Cycle stage A1-A3 based on the tonnes of steel procured from each steel producer each year, together with a Carbon Footprint Report to EN 15804 for Fabricator emissions.

Public reporting of GWP performance using the Carbon Footprint Report, CARES balanced scorecard.

3.5.2 Climate Change - Global Warming Potential (GWP) performance

The organisation should assess GWP performance against scoring thresholds.

Guidance

Fabricators can assess their performance of utilising lower emissions steels by using the annual weighted average GWP of

steels fabricated. The current thresholds are based on product, site and production route specific GWP A1-A3 and the rationale for these production thresholds is described in the Steel Mill Guidance document. The thresholds are shown in Table 1. Below:

Table 1. Decarbonisation Performance Level Thresholds

Steel procured from	Performance Level Thresholds			
Production Route	1	2	3	4
EAF or IF using materials for recycling and Rolling Mills using feedstock as input*	750	530	320	100
EAF or IF using HBI and/or DRI input	2200	1520	830	150
BF and BOF primary production	2500	1800	1100	400
Stainless Steel production using materials for recycling	3000	2170	1330	500

*: Feedstock billet GWP to be used

Rating

Achieving Performance Level threshold 1 scores 1, threshold 2 scores 2 and threshold 3 scores 4 and threshold 4 scores 10 in the Rosette Rating System.

3.5.2 Evidence

Completed "KPI" sheet within Annex 1 for GWP.

Documentation of producers third-party verified EPD Reports to EN 15804 for cradle-to-gate with options, showing stages A1-A3, with weighted average emission levels compared to the values in the table above to assess emission performance level for Life Cycle stage A1-A3 satisfies this requirement.

3.5.3 Decarbonisation Strategy

The organisation shall define, make publicly available and implement a strategy to reduce its GHG emissions to levels that are compatible with the achievement of the goals of the Paris Agreement, with an aspiration to achieve net-zero GHG emissions.

Guidance

Fabricators can reduce the GHG emissions embodied in the steel procured for fabrication, can decarbonise the energy it uses for fabrication operations and can support efforts to decarbonise employee and business travel and other GHG emission sources. Fabricators can seek to align to or move quicker than decarbonisation pathways as defined by national legislation, regulations and guidance.

GHG emissions from steel production are the most significant and so the fabricator should focus on how it can secure suppliers of lower carbon steels. Direct operational emissions under control of the fabricator can be reduced, in line with section 3 of this scheme. Additional GHG emission reductions can be included over time to support national and global decarbonisation efforts.

Rating

To score 1, the corporate owner has announced plans to develop or is developing a compliant strategy

To score 2, the corporate owner has developed a compliant strategy

To score 4, the corporate owner has published and is implementing a compliant strategy

3.5.3 Evidence

Documented information as evidence of a decarbonisation strategy that covers steel procured, direct and other indirect emissions. The strategy shall be informed by the materiality of the GHG emissions sources.

3.5.4 GHG emissions reduction targets and plan

The organisation should have short (0-5 years), medium (5-15 years) and long-term (15-25 years) GHG emission reduction targets for the site and plans to achieve them aligned with its strategy and publicly reported.

Guidance

The fabricator should set short, medium and long-term targets for low emission steel procured and GHG emissions reduction from its direct operations and develop and document plans to achieve these targets. The organisation should regularly review the plans and progress against the targets and publicly report them.

Rating

To score 1, the organisation is developing compliant targets

To score 2, the organisation has developed compliant targets and plans to meet them

To score 4, the organisation has developed compliant targets and is implementing a plan to meet them and is publicly reporting on progress.

3.5.4 Evidence:

Documented information as evidence of GHG emissions reduction targets and plans for the operation. Public reporting of the target, outline plan and implementation progress, noting that commercially sensitive detail does not need to be reported.

3.6. Transport Impacts

3.6.1 Transport impacts - Policy

The organisation shall include a commitment to monitor and minimise transport impacts in its sustainability policy, implement a process to minimise transport impacts and complete the "Transport Impact" sheet within Annex 1 to measure its impacts.

Guidance

The environmental impacts of transport are significant due to major use of energy and natural resources (e.g. fossil fuels). This creates air pollution, including nitrous oxides and particulates which have detrimental health impacts and is a significant contributor to global warming through emission of CO₂. Transport impacts include transport impacts of supplying feedstock and auxiliary materials to the site, transport on-site, nuisance impacts on the local community such as dust, congestion and health and safety risks and the impacts of shipping product from the fabricator to the customer.

3.6.1 Evidence

Policy commitment to minimise transport impacts and completed "Transport Impact" sheet within Annex 1.

3.6.2 Transport impacts - Assessment

The organisation should assess the environmental (and other) impacts of transport and set objective(s) to reduce these impacts.

Guidance

Transport impacts should be monitored, assessed and reduced. Monitor the transport impacts of the supply of steel. Transport distances should be recorded from the steel producer.

This criterion also supports supply chain due diligence (2.10) including the assessment of supply chain risk.

Rating

To score 1, the organisation should set objective(s) to reduce environmental (and any other) impacts of transport and have a plan to meet them.

3.6.2 Evidence

Documented information as evidence of transport impact assessment, objective(s) to reduce environmental (and where appropriate, other e.g., congestion, safety) impacts of transport, programme(s) and plan(s) for achieving its objective(s).

3.6.3 Transport impacts – Employee Travel

The organisation should record and assess employee transport patterns and set objective(s) to reduce these impacts.

Guidance

While the transport impacts of employee travel are small compared to input materials, operational and product transport, monitoring and reducing the impact of

employee travel can benefit communities and support the transition to net-zero. It is also sought by customers as part of complete carbon footprints of their scope 3 procurement and for Scope 3 reporting. Examples include, installation of secure, dry bicycle parking with electric points for recharging e-bikes, showers, incentives to use public transport.

Rating

To score 1 the organisation should record employee travel modes and distances and produce an annual summary.

To score 2 the organisation should have implemented projects to reduce employee transport impacts.

3.6.3 Evidence

Documented information as evidence of transport mode used by employees, kilometres travelled to and from work and, any projects or initiatives to reduce impact.

3.6.4 Transport impacts – Business Travel

The organisation should record and assess business travel patterns and set objective(s) to reduce these impacts.

Guidance

While the transport impacts of business travel are small compared to operations, monitoring and reducing the impact of business travel can benefit communities and also help support the transition to net-zero through education of the impacts. It is also sought by customers as part of complete carbon footprints of their scope 3 procurement and for Scope 3 reporting.

Should organisations wish to calculate the GHG emissions associated with business travel, then the modes of transport can be split further to increase accuracy, e.g. petrol, diesel and electric cars, long haul and short haul flights. The most recent national reporting emission conversion factors shall be used and the source documented. In the absence of national conversion factors the IEA or other reputable conversion factors can be used with the sources documented.

Examples of initiatives to reduce business travel impacts include a clear travel policy which incentivises and favours lower emission transport modes, e.g. use of trains for short haul routes. Purchasing and using electric vehicles in organisations fleet, including company cars.

Rating

To score 1, the organisation should record business travel modes and distances and produce an annual summary for internal review.

To score 2, the organisation should convert distances to GHG emissions and have projects/initiatives to reduce business travel impacts.

3.6.4 Evidence

Documented information as evidence of transport mode used by employees on company business, total km's travelled and any projects to reduce impact. Section 'Business Travel' at bottom of 'Transport Impacts' worksheet within Annex 1.

3.7. Resources, Circularity, Emissions and Releases

3.7.1 Resource and waste management plan

The organisation shall assess and document the resources used in fabrication, waste streams, identify opportunities and set objectives to increase circularity, minimise waste and maximise reuse and recycling of materials.

Guidance

Principles of Circularity include eliminating waste and pollution, circulating products and materials (at their highest value), and regenerating nature. Resource management practices shall be systematically improved through the application of circularity principles and these shall be reflected in the objectives within the plans.

Materials categorisation supports effective management and compliance. For example, the European Waste Catalogue (EWC) is a hierarchical list of waste descriptions established by Commission Decision 2000/532/EC. It is divided into twenty main chapters, each of which has a two-digit code between 01 and 20.

Waste streams should be minimised and waste management should follow the waste hierarchy which, going from most to least preferable, is: avoid, reuse, recycle, incinerate with energy recovery, incinerate/landfill.

3.7.1 Evidence

Documented information as evidence of resource and waste assessment and management objective(s) to minimise waste plan(s) for achieving its objective(s), e.g. Waste Management Plan (WMP), evidence of meeting plans, e.g. Waste Transfer Notes.

3.7.2 Recycling

The organisation should complete the "KPI" within Annex 1 for "Waste recycled"

Rating

To score 1, the organisation should set objective(s) to maximise waste recycling rather than incineration or landfill.

To score 2, the organisation should set and achieve objective(s) to maximise waste recycling rather than incineration or landfill.

3.7.2 Evidence

Completed 'KPI' sheet within Annex 1 for 'Waste recycled'

Note: The total waste amount should be balanced across clauses 3.7.2 - 3.7.4, i.e. none of the waste management streams should be duplicated.

3.7.3 Incineration

The organisation should complete the 'KPI' within Annex 1 for 'Waste to incineration'

Guidance

Incineration of waste materials is thermal treatment of waste with or without recovery of the combustion heat generated. This includes the incineration by oxidation of waste as well as other thermal treatment processes such as pyrolysis, gasification or

plasma processes. Wastes can only be accepted to incineration if they meet the waste acceptance criteria of local legislation.

The organisation should set standards to reduce waste to incineration and the environmental impact of wastes incinerated. While incineration should be avoided, there may be a regulatory requirement for hygiene or infection control reasons such as for medical waste streams.

Rating

To score 1, the organisation should set objective(s) to minimise waste to incineration.

To score 2, the organisation should set and achieve objective(s) to minimise waste to incineration

3.7.3 Evidence

Completed 'KPI' sheet within Annex 1 for 'Waste to incineration'

Note: The total waste amount should be balanced across clauses 3.7.2 - 3.7.4, i.e. none of the waste management streams should be duplicated.

3.7.4 Landfill

The organisation should complete the 'KPI' within Annex 1 for 'Waste to landfill'

Guidance

A landfill site is a site for the disposal of waste. Wastes can only be accepted at a landfill if they meet the waste acceptance criteria of local legislation.

The organisation should set standards to reduce waste to landfill and the environmental impact of wastes disposed to landfill. Waste storage areas within the site boundaries, if used for long-term storage of waste streams, shall be deemed to be landfill and appropriate waste management practices and controls applied.

Rating

To score 1, the organisation should set objective(s) to minimise waste to landfill.

To score 2, the organisation should set and achieve objective(s) to minimise waste to landfill

3.7.4 Evidence

Completed 'KPI' sheet within Annex 1 for 'Waste to landfill'

Note: The total waste amount should be balanced across clauses 3.7.2 - 3.7.4, i.e. none of the resource and waste management streams should be duplicated.

3.7.5 Emissions to air and releases to water

The organisation shall monitor emissions and implement plans to prevent and reduce emissions that have adverse impacts on communities or the environment.

Guidance

As ISO 14001 is a mandatory requirement of the Scheme, this requirement is covered within the scope of that certification.

3.7.5 Evidence

Documented information as evidence of emissions monitoring, procedures, plans and targets to prevent and reduce emissions that have adverse impacts on communities or the environment.

Certification to ISO 14001 is sufficient to meet this requirement. (To be automatically scored, EMS certificate is prerequisite of the scheme)

Reference:

- European Waste Catalogue (EWC)

Unapproved - Consultation Version

3.8. Spills, Leaks and Land Remediation

3.8.1 Spills and Leaks

The organisation shall work to effectively prevent, detect, mitigate and remedy spills and leakage that cause harm to communities or the environment.

Guidance

Spills and leaks can cause land, air and water pollution. These shall be within the aspect register and scope of the certification to ISO 14001 and is sufficient to meet this requirement. (To be automatically scored, EMS certificate is prerequisite of the scheme).

3.8.1 Evidence

Documented information as evidence of preventative maintenance programme, procedures for managing the impacts of spills and leaks. Certification to ISO 14001 is sufficient to meet this requirement. (To be automatically scored, ISO 14001 EMS certificate is prerequisite of the scheme)

3.8.2 Land Remediation

Where there has been an unplanned release or a change in land use, the organisation shall complete an environmental impact assessment/contaminated land assessment and, where necessary, develop and implement land remediation plans.

Guidance

Where an organisation has discontinued using land, or further to an unplanned release into the environment, or a change in land use, the land should be made suitable for its intended use. Should there be contamination caused by the steel processing, then the organisation has a duty to remediate the land or water course. Contamination is taken to mean where substances could cause significant harm to people or protected species or significant pollution of surface waters or groundwater or land. There may be local statutory requirements.

The organisation should assess and document land contamination, its extent and remediation options at initial site review stage, after an unplanned release into the environment or after significant change in land use. Should contaminated land be identified, a remediation plan should be put in place or if the initial review has identified that there is no contaminated land and no remediation need, that is sufficient to meet this criterion.

Rating

To score 2, Documented information as evidence of Contaminated Land Remediation plan or evidence that there is no contaminated land and no remediation need.

3.8.2 Evidence

Documented information as evidence of Contaminated Land Remediation plan.

4. Social

The organisation shall have a defined approach to managing its impacts on society at a local, regional, national and global level.

Mandatory Requirements

- Documented information as evidence of the management of social impacts
- Documented information as evidence of meeting the requirements listed below designated by 'the organisation shall'
- Documented Procedure(s) to control subcontract works and contractors

SDG Alignment – 4. Social



4.1. Human Rights, Non-discrimination and Ethical Labour Practices

Guidance

This section is focused on employees and contractors working on site. For additional human and labour rights requirements relating to supply chains and downstream, please see the responsible sourcing criterion 2.10.

4.1.1 Human rights, non-discrimination and ethical labour policy

The organisation shall approve and publish a Policy(ies) and/or Codes of Conduct which commits the organisation, its employees and contractors to:

1. Comply with human rights legislation, international norms of behaviour and avoid complicity with human rights abuses
2. Avoid use of or be complicit in forced labour or child labour
3. Comply with applicable laws and industry standards on fair labour conditions and fair payment practices
4. Implement and promote equal opportunity, non-discrimination, diversity and inclusion practices in employment and contracting and actively prevent all forms of discrimination
5. Promote respect for workers dignity and labour rights including in disciplinary practices

Guidance

The organisation shall promote and implement practices that align with the UN Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the standards of the ILO.

This section includes all aspects of Human Rights and Ethical Labour Practices including but not limited to: Slave Labour/Modern Slavery, Child Labour, Workers' Conditions, Fair Labour Conditions, Fair Treatment, Fair Wages, Employment Equality and Non-discrimination in respect of Gender, Ethnicity, Religion, Political Persuasion, Sexuality, Disability), Working Hours, Overtime, Holidays, Freedom to join Trade Unions (Freedom of Association)

Employment equity means that employees shall be paid equal pay for comparable work or work deemed to be of equal or equivalent value.

Approve and publish means; a policy(ies) is approved by the organisations most senior governance committee, made publicly available, is communicated to employees, contractors and other relevant stakeholders and employees and other relevant stakeholders are made aware of its contents, for example, through training and that it is reviewed periodically.

Employee training shall ensure employees are aware of the policy requirements including those related to their own rights and non-discrimination (ethnic, cultural, gender, disability, religious, political or any other).

4.1.1 Evidence

Policy(ies), Codes of Conduct, Documented information as evidence of training, employee and stakeholder awareness of policy (e.g. human resources training records, contract terms and conditions, contractor contracts and training)

4.1.2 Child, juvenile and forced labour

The organisation shall document and implement processes and procedures to detect, investigate and address any incidents of child, juvenile or forced labour.

Guidance

The organisation shall only employ persons who are at least 15 years old, have reached the applicable minimum legal age for employment, or who have passed the applicable age for compulsory education, whichever is highest. Where juvenile workers are present on site, a risk assessment of their work role shall be completed and they should not perform work that requires significant experience or specialist training, to ensure they are not exposed to activities that might be hazardous or harmful to their health or safety.

The organisation shall not use or tolerate forced or compulsory labour (Modern Slavery) and effectively addresses any detected incidents of forced or compulsory labour. Risks of forced labour are higher in temporary workforces and outsourced contractors. Contracts with employment and recruitment agencies and with other external providers of workers shall explicitly prohibit the use of forced and compulsory labour.

According to the ILO, Forced Labour or Modern Slavery refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception and abuse of power. Force Labour and Modern Slavery may be hard to identify. Potential signs include the person: is not in possession of identity documents, show signs that their movements are restricted, may not be able to communicate freely (others always answer for them), has unexplained injuries, may not have appropriate clothing, depend on work or a third-party for accommodation and the job, may work long hours and have limited time off, may not be paid to their account, might accrue debts for accommodation, transport and other reasons, be unfamiliar with local languages, always follows instructions from another person/people, be distrustful of authorities, may not know their address or may live in substandard accommodation.

Stating that the organisation complies with local legislation that prohibits child and forced labour is not sufficient evidence on its own.

4.1.2 Evidence

Documented information as evidence of risk assessment of child, juvenile and forced labour on site. Controls to enable policy checks to be completed, e.g. age checks, bank account checks. Where risks or incidents are identified, there are procedures in place to investigate and address the risks, take action to remove the child or worker from the risk and to provide for the continued welfare of the child or worker. Recruitment agency and outsourced contractor contracts. Training records of training for procurement, purchasing teams and other workers.

4.1.3 Employee Terms of Employment

The organisation shall ensure that workers have a written contract and understand their current employment terms with regards to wages, working hours, overtime, holidays, paid leave and other employment conditions.

Guidance

Terms of employment shall be laid out in written contracts for all workers and communicated to them at the beginning of the working relationship and when there are changes to the terms using languages, methods and channels that are understood and are easily accessible to workers. The terms of employment shall include: Workers' rights under national labour and employment law; working times, days and hours of work, holiday and days off entitlement, remuneration and payments, overtime, other forms of compensation, and benefits; Applicable collective agreements; Pay structure and pay periods.

4.1.3 Evidence

Example worker contracts and evidence of communications to employees about their contracts.

4.1.4 Working time

The organisation shall have a system in place to monitor working hours and limit them to thresholds defined under International Labour Organisation convention 1 and shall comply with legal thresholds for holidays.

Guidance

Limits to working hours are designed to protect workers and to provide effective fatigue management to reduce incident risks. This criterion shall also apply to contracted workers. While not in themselves legally enforceable without national implementing legislation, the International Labour Organisation conventions provide international standards and thresholds to support the maintenance of labour rights. The relevant ILO conventions are: ILO Convention No. 1 (1919): The Hours of Work (Industry) Convention which sets the international standard for an 8-hour workday and a 48-hour workweek in industrial undertakings. It also specifies that employees should have at least one day off every seven days.

Voluntary paid overtime is in addition to these standard working hours. Regular overtime and working excessive hours have been shown to increase health and safety risks. Where long hours working above the ILO Convention 1 threshold is common in the workplace, fatigue management plans should be place.

Paid holidays should be granted at least to legal minimums.

4.1.4 Evidence

Human resources and payroll system to measure and monitor employee working hours and documentation as evidence of working hours review. Fatigue management and harm mitigation plans where appropriate. Contractor agreements.

4.1.5 Freedom to join trade unions (Freedom of Association)

The organisation shall allow workers and employees to form and join organisations of their own choosing. The organisation shall complete the "KPI" within Annex 1 for "Freedom of Association".

Guidance

The right of workers and employers to form and join organisations of their own choosing is an integral part of a free and open society. Collective bargaining plays an

important role to obtain a fair share of the benefits and in providing a measure of security against the risk of unemployment and negative changes to salaries.

4.1.5 Evidence:

Completed "KPI" within Annex 1 for "Freedom of Association"

Note: The rate is recorded for our information and will not be published - you can either have freedom of association or not. Where legislation does not allow recording of this data, if freedom of association is enshrined in law then this criterion is deemed to be met.

4.1.6 Fair wage policy

The organisation's Wage Policy shall comply with the national legal standard for minimum wage and wage increases. The organisation shall complete the "KPI" within Annex 1 for "Wage Policy".

Guidance

A wage is monetary compensation (or remuneration) paid by an employer to an employee in exchange for work done. Wage Policy is underpinned by national legal standard for minimum wage and wage increases.

4.1.6 Evidence

Completed "KPI" within Annex 1 for "Wage Policy"

4.1.7 Wage policy assessment

The organisation should assess the social impacts of its Wage Policy.

Guidance

A number of locations have now adopted local living wages which represent minimum where the cost of living may be significantly higher than national averages. Assessments of living wages are provided by a number of organisations such as the Global Living Wage Coalition. This assessment should include all support roles such as cleaners and caterers.

Rating

To score 1, the organisation should reduce % of employees employed at minimum rate level compared to previous data collection/reporting period.

To score 2, the organisation should demonstrate all employees are paid at least the local living wage.

4.1.7 Evidence

Documented evidence of social impact assessment of Wage Policy, objective(s) to reduce social impacts of wage policy. An understanding of the local living wage is desirable. Where a local living wage is not available, the local legal minimum should be considered.

4.1.8 Additional payments

The organisation shall have a system in place to ensure hourly employees are paid overtime at a minimum premium of 25%, if they work over the typical full working week

and that maternity, paternity and compassionate leave time and payments shall at a minimum meet legal requirements.

Guidance

ILO Convention C001 - Hours of Work (Industry) specifies that the rate of pay for overtime shall not be less than one and one-quarter times the regular rate. Overtime can be compensated with time off in lieu rather than a financial payment.

A typical working week may be defined in national legislation, a collective bargaining agreement and or in employment terms and conditions. Many organisations pay overtime for any hours worked above 40 hours per week. In the absence of a defined typical working week, 48 hours should be used.

Payments and time off for maternity, paternity and compassionate leave shall, at a minimum, meet legal requirements.

4.1.8 Evidence

Documented evidence of a system to ensure payments meet the defined thresholds. Collective Bargaining Agreement and or employment terms and conditions.

4.1.9 Gender pay equality

The organisation should assess equality in its pay structures and publicly report on its gender pay gap.

Guidance

The organisation should assess equality in its pay structures and publicly report on its gender pay gap.

The gender pay gap is an indicator of the relative amount of women occupying senior positions in companies in relation to men. The gender pay gap is the difference between the average (median) income of men and women, expressed relative to men's income. A positive % indicates that men, on average, occupy positions which pay more than the average positions women occupy. A negative % indicates the reverse.

According to the World Economic Forum (Dec 2024 data), at current rates, it will take 134 years to close the Gender Pay Gap. Office and operational workers should be included and part-time workers salaries should be taken as full time equivalent salaries. Reporting the gender pay gap is a legal requirement in some jurisdictions, for example, in the UK.

Rating

To score 1, the organisation shall compete the KPI

To score 2, the organisation shall publicly report the KPI value and context

4.1.9 Evidence:

Completed "KPI" within Annex 1 for "Gender pay equality".

4.1.10 Gender equality

The organisation should assess equality in its employment structures and publicly report on its gender balance.

Guidance

The gender balance of workers is an indicator of equal opportunities being provided. Office and operational positions should be included. Some organisations record this information by role categories or job area to provide them with more insight.

Rating

To score 1, the organisation shall complete the KPI.

To score 2, the organisation shall publicly report the KPI value and context.

4.1.10 Evidence

Completed "KPI" within Annex 1 for "Gender employment balance" (%Male/% Female).

4.1.11 Fair disciplinary practices

The organisation shall prohibit and avoid the use of disciplinary practices that undermine workers dignity.

Guidance

Unreasonable disciplinary practices include being forced to do exercise, or stand in the sun for extended periods, being beaten or hit, threats of violence, sexual or racial harassment, bullying, verbal abuse and withholding of food or services. Deductions from salary should not be made as a disciplinary measure for Worker behaviour, except where explicitly provided for in employment contracts or collective bargaining agreements.

4.1.11 Evidence

Policy commitment to prohibit and avoid undermining disciplinary practices. Details of prohibitions and examples in Human Resources procedures and process. Absence of undignified disciplinary practices in employee complaints.

4.1.12 Employee grievance mechanism

The organisation shall have a formal system for considering and acting on employee complaints and grievances.

Guidance

For the protection of both managers and employees, the organisation should have an internal, formal system for employees to protest, or register a grievance or complaint (e.g. human rights, safety, health, worker's conditions, business ethics, of bullying or any other concern) without fear of reprisal and with an expectation it will be fairly considered. Organisations may operate grievance systems for all stakeholders or different systems. Organisations should encourage their suppliers to adopt similar systems.

The grievance system should be aligned to the UN Guiding Principles of Human Rights and Business criteria that indicate a good quality grievance mechanism. These include: accessible, including in the main languages of potential users and using various modes to access it where required based on an understanding of potential users; legitimate and predictable, including potentially being run by an

independent third-party which enables anonymous reporting and reduces any fear of reprisal; fair and impartial including having a clear procedure and timescales for recording and responding to grievances; known by potential users, therefore evidence that the existence of the mechanism and how to use it has been well communicated may be sought by auditors.

4.1.12 Evidence

Documented information as evidence of complaints and grievance system, procedure to operate system, example anonymised records of grievance going through procedure to resolution. Effective communication of the grievance system.

4.1.13 Employee grievance assessment

The organisation shall complete "KPI" sheet within Annex 1 for "Grievance System".

Guidance

Tracking levels of grievances raised, the categories and types of grievances allows management to understand employee concerns and to focus improvements.

4.1.13 Evidence

Completed "KPI" within Annex 1 for "Employee Grievance System"

4.1.14 Employee grievance resolution

The organisation should resolve employee complaints and grievances.

Guidance

Bringing grievances to a conclusion in a timely manner is critical to an effective mechanism. The grievance system should also result in appropriate remedy if a grievance is upheld and this might include compensation, restoration of rights and issuing apologies, as well as changing business processes, training and influencing working culture.

Rating

To score 2, the organisation should have no employee grievances OR the organisation should increase grievance resolution rate compared to previous data collection/reporting period.

4.1.14 Evidence

Documented information as evidence of Grievance system effectiveness. Objective(s) to increase effectiveness of grievance system and resolution of complaints

4.1.15 Employee satisfaction measurement

The organisation shall periodically measure employee satisfaction and document the results and consequential actions.

Guidance

The organisation needs to be informed about the opinions of its workforce and employees should be able to provide their opinions in an anonymised way without fear of reprisal. Anonymous means that no individual should be identifiable from their inputs into the survey. Employee opinion surveys can be run annually, or periodically

as defined by the human resources department. Pulse surveys can be run additionally to understand specific issues at a point in time.

4.1.15 Evidence

Documented information as evidence of anonymous employee opinion survey and how the results inform decision making.

4.1.16 Employee turnover

The organisation shall complete the "KPI" within Annex 1 for "Employee Turnover".

Guidance

Turnover is the act of replacing an employee with a new employee. It costs upwards of twice an employee's salary to find and train a replacement and high employee turnover can damage morale among remaining employees.

4.1.16 Evidence

Completed "KPI" within Annex 1 for "Employee Turnover"

4.1.17 Employee turnover reduction

The organisation should assess the social impacts of Employee Turnover.

Guidance

Evaluating and acting on employee feedback and retention data supports higher retention rates. The organisation should work to reduce its turnover rate. Where employees may need to be made redundant, evidence of actions taken to reduce negative impact on employees should be documented.

Rating

To score 2, the organisation should reduce employee turnover rate compared to previous data collection/reporting period.

4.1.17 Evidence

Documented information as evidence of social impact assessment of Employee Turnover, objective(s) to reduce social impacts of employee turnover.

References:

- The World Economic Forum: Global Gender Gap Report 2024
- The Ethical Trading Initiative (ETI) Base Code
- Social Accountability International SA 8000:2014 Standard
- ISO 26000 Guidance on Social Responsibility
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work and the standards of the ILO.
- ILO conventions

4.2. Safe and Healthy Working Conditions

4.2.1 Lost time injuries

The organisation shall complete the "KPI" within Annex 1 for "Lost time injury frequency rate (LTIFR) - Injuries/million hours worked" and shall publicly report its performance.

Guidance

A lost time injury is an industrial injury causing loss of time from the job on which the injured person is normally employed beyond the day or shift on which the injury occurred. In addition, cases where loss of time does not immediately follow the injury, but where there is a direct relation between absence and injury, are generally regarded as lost time injuries.

The lost time injury frequency rate is the number of lost time injuries for each 1,000,000 working hours. $LTIFR = (\text{number of lost time injuries per fiscal year}) / (\text{number of hours worked per 12 month period or recent full or fiscal year} / 1,000,000 \text{ working hours})$

Result is expressed as: Injuries / 1,000,000 Hours Worked.

Publication of these data/ transparency is the first step to encourage a shift in safety culture and performance. LTIFR is a lagging indicator measuring an outcome. Effective Health and Safety programmes include a range of leading indicators which seek to measure efforts taken to reduce the risk of incidents happening.

Measurement and publication of leading indicators such as the amount of training, toolbox talks, availability of correct PPE and other relevant lagging safety metrics, such as near misses, potential serious incidents and other measures should be considered for internal monitoring and external publication.

Publication of LTIFR in the CARES Balanced Scorecard which accompanies the certificate, on its own is not sufficient to meet this requirement as publicly available means accessible in all relevant languages locally and using methods of communication familiar to stakeholders.

4.2.1 Evidence:

Completed "KPI" within Annex 1 for "Lost time injury frequency rate (LTIFR) - Injuries/million hours worked" and publicly reported performance.

4.2.2 Health and safety incident reduction

The organisation should reduce health and safety incidents.

Guidance

worldsteel average LTIFR's, for those companies that report to its data set, was 0.76 in 2023. Health and Safety performance levels are linked to organisational culture and behaviours of employees and contractors. The CARES SCS scheme wants to incentivise actions that improve performance and bring approved firms at least in line with worldsteel averages.

Where fatalities have occurred at the organisation, during the assessed reporting period, it is unable to score any credit scores under this criterion.

Rating

To score 1, the organisation should demonstrate improvement of 25% or more on its previous reporting year LTIFR score

To score 2, the organisations should achieve LTIFR <8

To score 4, the organisation should achieve LTIFR <2

4.2.2 Evidence

Documented information as evidence of health and safety performance.

4.2.3 Health and Safety incident support and compensation

The organisation should provide workers with support and compensation for work-related injuries or illness and care for their dependents in case of work-related death.

Guidance

In countries in which compensation for work-related injury, illness or death is not provided through a government scheme, collective bargaining agreement or mandatory benefits by law, the organisation should make a commitment to cover the costs and losses associated with work-related injury, illness or death.

Rating

To score 2, this is a requirement of law, collective bargaining agreement terms or the organisation has the required documented information in place

4.2.3 Evidence

Documented information as evidence of: Processes to provide care and support to injured or ill workers and support rehabilitation, including health and wellbeing; Procedures to determine and provide compensation to workers for work-related injury or illness, consider medical expenses, wages during the recovery and rehabilitation period, suitable duties during recovery and rehabilitation and, where recovery is not possible, lost future earnings; Procedures to determine and provide compensation to workers if an occupational illness connected to the worker's duties manifests after a worker has retired; Procedures to determine and provide compensation to worker's dependents in the event of work-related death.

Record keeping for all of above.

4.2.4 Employee wellbeing

The organisation should take steps to support employee mental health and wellbeing, recognise the right to a private life and support work-life balance.

Guidance

Employers should support employee mental health and wellbeing, through the provision of mental health training, wellbeing monitoring programmes, access to sport and fitness facilities and through other measures. The employer should recognise the right to a private life and support work-life balance, offering a degree of flexible working and compassionate and family time off as defined in the organisations policy or employment Terms and Conditions.

Rating

To score 2, the organisation can demonstrate evidence of employee wellbeing programmes.

4.2.4 Evidence

Documented information as evidence of employee wellbeing programmes.

4.2.5 Workplace hygiene

The organisation shall ensure it provides and maintains adequate facilities commensurate with the number and gender of employees and contracting workers. This shall include clean and hygienic food storage and meal break areas with seating, access to free safe drinking water, sanitary facilities and adequate heating and cooling. Where worker housing is provided the provision of electric power supply shall be provided in addition.

4.2.5 Evidence

Documented information as evidence of adequate facilities.

4.3 Skills and Training (Development of Employees)

4.3.1 Skills and training – sustainable development

The organisation shall provide appropriate training and incentives to employees so that they understand how their work may impact on sustainable development.

Guidance

The ability of an organisation to effect improvements to sustainability performance is dependent on the knowledge and skills of its employees. Employee satisfaction, recruitment and retention are supported through effective training and an understanding of career development opportunities. While training courses are essential, practical experience is also necessary to develop personal competencies and to properly understand the skills needs of roles for new starts, therefore this should also include practical 'on-the-job' training.

4.3.1 Evidence

Documented information as evidence of training specific to sustainability impacts (e.g. within induction, training procedure, yearly training plan, 'on-the-job' training), evidence of Sustainability / Environment / Community champions within business units and teams, internal communication programmes in related subjects, and connections to incentive processes (appraisal process, link to performance objectives/ remuneration/ bonuses and overall compensation packages).

4.3.2 Skills and training – career development

The organisation shall implement training-based career development programs for the employees.

Guidance

Understanding the variety of skills needs within an organisation and how employees can progress through continual learning opportunities supports personal and professional development and organisational performance.

4.3.2 Evidence

Documented information as evidence of career planning, training planning, appraisal process, competence matrix.

4.3.3 Skills and training – training hours

The organisation shall complete the "KPI" within Annex 1 for "Skills and Training (Development of Employees)".

Guidance

The organisation shall complete the "KPI" within Annex 1 for "Skills and Training (Development of Employees)".

Recording of training hours supports claims made about the delivery of training.

4.3.3 Evidence

Completed "KPI" within Annex 1 for "Skills and Training (Development of Employees)" as evidence of training hours.

4.3.4 Skills and training - effectiveness

The organisation shall implement training effectiveness measurement modelling.

Guidance

Measuring training hours alone does not necessarily mean that training has been targeted or effective in delivering relevant skills. Therefore, additional measures should also be considered.

4.3.4 Evidence

Training effectiveness measurement models (e.g. Kirkpatrick Model, Phillips Model) or tailor made measurement techniques.

4.3.5 Skills and training – objectives

The organisation should set objective(s) for skills development and training.

Guidance

Building on the recording of training hours and effectiveness the organisation should set objectives to increase relevant training and effectiveness.

Rating

To score 1, the organisation should set objective(s) to increase training hours and/or effectiveness compared to previous data collection/reporting period.

To score 2, the organisation should achieve objective(s) to increase training hours and/or effectiveness compared to previous data collection/reporting period.

4.3.5 Evidence

Documented information as evidence of training hours and/or effectiveness.

4.3.6 Skills and training – apprentices

The organisation should complete the "KPI" within Annex 1 for "Apprentices employed in reporting year" and "Graduate trainees employed in reporting year".

Guidance

Employing apprentices supports bringing young people into the skilled workforce and is frequently aligned to government programmes.

Rating

To score 1, 1 person fitting this category has been employed.

To score 2, More than 1 person fitting this category has been employed.

4.3.6 Evidence

Completed "KPI" within Annex 1 for "Skills and Training (Development of Employees)" as evidence of "Apprentices employed in reporting year" and "Graduate trainees employed in reporting year"

4.3.7 Skills and training – long-term unemployed

The organisation should complete the "KPI" within Annex 1 for "Long-term unemployed people it has trained with a view to employment in reporting year".

Guidance

Long-term unemployed people are people unemployed for more than 1 year. This criterion is about supporting disadvantaged people through training. The intention is that they are trained with a view to employ them. The focus of the evidence should be on the training, i.e. they do not have to be employed yet to meet this criterion.

Rating

To score 1, 1 person fits this category.

To score 2, More than 1 person fits this category.

4.3.7 Evidence

Completed "KPI" within Annex 1 for "Long-term unemployed people in a training programme with a view to employment in the reporting year"

4.3.8 Skills, training and employment of people with a disability

The organisation should complete the "KPIs" within Annex 1 for "Skills, training and employment of people with a disability".

Guidance

A disabled person is defined as someone with a physical or mental impairment that has a 'substantial' and 'long-term' effect on their ability to do normal daily activities. Employment of disabled people enables businesses to better reflect the diverse range of customers, can increase the pool of high quality applicants to positions and bring in valuable skills and approaches to teams. It helps break down societal barriers and often supports government policies. Enabling people with diverse abilities, physical or mental impairment to take up employment can be achieved through reasonable adjustments to working environments and matching skills to job roles.

Rating

To score 1, 1 person fitting this category is employed during the reporting period.

To score 2, More than 1 person fitting this category is employed during the reporting period.

4.3.8 Evidence

Completed "KPI" within Annex 1 for "Skills, training and employment of disabled people". Additional evidence of reasonable adjustments made and programmes to support the employment of disabled people can also be provided.

4.4. Community Relations and Community Initiatives

4.4.1 Community engagement policy

The organisation shall implement a Policy(ies) to ensure effective engagement with community stakeholders.

Guidance

The operations of a steel fabricator can impact on the local community (e.g. noise, dust, increased heavy transportation and other nuisances). In order to minimise the disruption caused to the local community it is important to understand any issues or concerns they may have and address them accordingly. Community engagement shall; Ensure that the full range of community stakeholders can have their voices heard without exclusion, Support positive involvement in the community, provide mechanisms to deal with local community complaints and enquiries

Community stakeholders are identified as people who the operations of a steel production site impact upon and other people who may have an interest in the site.

4.4.1 Evidence

Policy(ies), Codes of Conduct, Documented information as evidence of engagement with community stakeholders, external stakeholder management procedure(s). Please note that this evidence should relate specifically to community stakeholders and evidence for requirements under 2.2 Stakeholder identification, engagement and ongoing management may contribute to this requirement.

4.4.2 Community engagement

The organisation shall complete the "KPI" within Annex 1 for "Community Relations" (Community initiatives).

Guidance

The organisation should identify and, as appropriate, be actively involved in community initiatives (e.g. Partnerships, philanthropy and volunteerism, educational programmes, voluntary work, charitable donations, community forums, regular newsletters, support for local initiatives).

4.4.2 Evidence

Completed "KPI" sheet within Annex 1 for "Community Relations".

4.4.3 Community initiatives

The organisation should carry out targeted initiatives which benefit local communities.

Guidance

Community initiatives can take many forms. For example, support for local schools and community organisations. It can also include the promotion and protection of culture, heritage and local languages and encouragement to participate in the arts, sports and recreation. This can also be pursued through supply chain engagement.

Rating

To score 1, the community initiative expenditure (funding) or volunteering rate should be increased by 5% compared to previous reporting .

To score 2, the community initiative expenditure (funding) or volunteering rate should be increased by 10% compared to previous reporting year.

4.4.3 Evidence

Documented information as evidence of expenditure or volunteering rate.

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4.5. Social Management System

4.5.1 Management systems

The organisation shall establish, document, implement, maintain and continually improve a Management System covering Labour Conditions and Human Rights.

Guidance

A social management system is similar to any management system, i.e. it shall have core elements: leadership, issue/risk/opportunity identification, resources in place to manage issues, training and competence, measurement, monitoring, objectives/targets, action plans, and reporting. It shall result in continual improvement and organisational learning. Social management systems shall have these in place for the range of issues including; managing human resources, human rights, labour conditions, community engagement and other relevant issues. Existing human resources, community engagement and other systems may cover many of the elements of a social management system.

4.5.1 Evidence

Documented information as evidence of management system covering labour conditions and human rights issues. This may be integrated into other systems or be separate systems.

5. Economic

The organisation shall have a defined approach to managing its impacts on the economy at a local, regional and national level.

Mandatory Requirements

- Documented information as evidence of the management of economic impacts
- Documented information as evidence of meeting the requirements listed below designated by 'the organisation shall'
- Documented Procedure(s) to control subcontract works and contractors

SDG Alignment – 5. Economic



5.1. Contribution to Diversity and Stability of the Local Economy

5.1.1 Local purchasing rate

The organisation shall complete the "KPI" within Annex 1 for "Contribution to Diversity and Stability of the Local Economy" (Local Purchases).

Guidance

Local in this case is taken to mean within the country of operation or local market region if operations are in smaller countries unless 'local' is defined in a different way by government policy.

5.1.1 Evidence

Completed "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy - (Local Purchases)".

5.1.2 Local purchasing

The organisation should contribute to the local economy by seeking to increase local purchasing.

Rating

To score 2, the organisation should increase local purchases compared to previous reporting year.

5.1.2 Evidence

Documented information as evidence of increases in local purchasing.

5.1.3 Local purchasing, SME's & VCSE

The organisation should complete the "KPI" within Annex 1 for "Contribution to Diversity and Stability of the Local Economy" (SME, VCSE Purchases).

Guidance

A SME is defined as a company with less than 250 employees. A VCSE are often purpose driven enterprises seeking to achieve social objectives through commercial activities. For example, they may support getting vulnerable groups into employment. There are many forms of VCSE's for example Charities, Community Interest Company, Benefit Corporations (B-Corps) and other entities which may vary by jurisdiction.

Rating

To score 1, the organisation should complete the KPI for this criterion and demonstrate some SME and/or VCSE spend.

To score 2, the organisations should demonstrate increased spend on SME/VCSE from the previous reporting year.

5.1.3 Evidence

Completed "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy - (SME Purchases)".

Note: In the evidence section if you provide other in-kind support to VCSE's, e.g. Expert business advice, Equipment or resources, Volunteering hours.

5.1.4 Fair payment practices

The organisation should implement a payment policy to pay SME's within 30 days and other organisations within 60 days from receipt of invoice.

Guidance

Fair payment of suppliers is part of ethical business practices and is important in the support of local economies. Late payment of invoices and long payment terms can negatively impact cashflow and make some businesses unviable. All companies should be paid according to their contract terms. The organisation should aim to pay all SME suppliers within 30 days of receipt of invoice and all organisations should be paid within 60 days of receipt of invoice (this is met by paying 95% of invoices within this period) unless invoices are disputed. Suppliers should be provided with clear and easily accessible guidance on payment procedures. Reporting on the time an organisation takes to make payments to SME's and other suppliers is law in some jurisdictions such as the UK.

Rating

To score 1, the organisation shall have a Payment Practices Policy.

To score 2, the organisation is able to demonstrate it is meeting the requirements of this criterion.

5.1.4 Evidence

Documented information as evidence of Payment Practices Policy, payment data split by SME's/other company's demonstrating performance in line with description.

5.1.5 Employment and social value created

Where Relevant or requested, the organisation should complete the "Employee Profile" sheet within the Self-Assessment and Audit workbook or an equivalent which enables an understanding of social value provided to the local community to be gained.

Guidance

This criterion enables the recognition where social value data is collected and provided. The concept is used in certain jurisdictions such as the UK and should be used where Relevant or requested by clients or customers.

Providing clients and government agencies with information and data which enables them to calculate the social value created by construction and infrastructure projects is considered best practice and can help them meet legal requirements such as the UK Social Value Act and the Well-being of Future Generations (Wales) Act (2015). Recording employee profile information enables this data to be provided and social value indicators calculated. This is normally in the form of a monetary value.

Understanding the social value being created through the steel value chain, for example promoting local skills and employment including of disadvantaged groups is important to economic and individual development. As social value is most often considered at a construction project level, this criterion is typically most relevant to

local fabricators, however other organisations may identify a value in measuring this information.

Rating

To score 1, the organisation should be able to demonstrate it can capture employee profile data for sharing if requested

To score 2, the organisation should be able to demonstrate it has provided data for use in social value calculations.

5.1.4 Evidence

Completed "Employee Profile" worksheet within this workbook or equivalent tool within Human Resources system or external tool and documented information as to use of data in the estimation of social value created.

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5.2. Employment Opportunities

5.2.1 Employment

The organisation shall complete "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy" (Stable Employment).

Guidance

Employment provides significant direct and indirect benefits to local communities and wider regions through provision of jobs, payments of remuneration and benefits, tax payments and the indirect benefits of the spend by employees in their communities.

5.2.1 Evidence

Completed "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy (Sustainable Employment)".

5.2.2 Employment changes

The organisation should contribute to the economy through Employment.

Guidance

This criterion looks at the impact of any changes to the numbers of people employed full and part-time.

Rating

To score 2, the organisation should maintain or increase total number of employees and permanent contractors compared to previous reporting year.

5.2.2 Evidence

Documented information as evidence of employment changes.

5.2.3 Local employment

The organisation shall complete "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy" (Local Employment).

Guidance

Total average number of employees and permanent contractors (if any) from local community/area at all sites during the data collection/reporting period. Local in this case is taken to mean employment of people resident within a 150 km radius of the site unless 'local' is defined in a different way by government policy. If there is a sound rationale for an alternative definition or approach to demonstrating local employment, this should be documented for consideration by the auditor.

5.2.3 Evidence

Completed "KPI" sheet within Annex 1 for "Contribution to Diversity and Stability of the Local Economy (Local Employment)".

Any additional evidence of local employment

5.2.4 Local employment changes

The organisation should contribute to the economy by Local Employment.

Guidance

This criterion enables credit to be gained for increasing the employment of people from the local area.

Rating

To score 2, the organisation should maintain or increase total number of local employees and permanent contractors compared to previous reporting year.

5.2.4 Evidence

Documented information as evidence of local employment.

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5.3. Pursuing Innovation in processes, products and management methods

5.3.1 Innovation

The organisation shall identify and document innovation opportunities in processes, products and management methods that contribute to sustainable development and shall complete the "KPI" within Annex 1 for "Pursuing Innovation".

Guidance

The key characteristics of innovative activities in the steel value chain cover innovations in infrastructure, process, equipment and products with inputs from research and development, engineering teams, specialist third-parties and may also include sectoral and value chain partnerships and involvement in government and regional schemes. Innovation activities can focus on digitisation, automation of processes through robotics or other automation, energy sources, energy efficiency, environmental technologies and new products and services.

5.3.1 Evidence

Completed "KPI" sheet within Annex 1 for "Pursuing Innovation".

5.3.2 Innovation investment change

The organisation should contribute to the local economy and sustainable development principles by increasing innovation in processes, products and management methods.

Guidance

Significant capital investment is required for the steel industry to transition to a more sustainable operational basis. For example, at a fabricator, this might mean investment in robotic welding and fabrication, which reduces failure rates and improves efficiencies. This criterion seeks to recognise those organisations which have created and started implemented these innovations.

Rating

To score 1, the organisation should increase innovation and investment expenditure compared to previous reporting year.

To score 2, the organisation should demonstrate that innovation and investment expenditure has led to performance improvement against any metric within the SCS scheme of over 30% on pre-investment performance.

5.3.2 Evidence

Documented information as evidence of changes to investment expenditure.

5.3.3 Innovation project

The organisation should complete an innovation project considering the impacts across all life cycle stages and value chain.

Guidance

The innovation project should address relative impacts, their magnitude and their likelihood to materialise. The scope of the project may cover climate action, energy

performance/efficiency, water management, waste management, circularity, biodiversity, health and safety, responsible sourcing and new technologies. The project should be assessed and recognised by an independent, impartial and expert organisation or body.

Rating

To score 2, the organisation should complete the innovation project and the project should be recognised by an independent, impartial and expert organisation or body.

Note: The innovation project may be funded by independent and impartial organisation or body.

5.3.3 Evidence

Documented information as evidence of innovation project.

Unapproved - Consultation Version

5.4. Contribution to the built environment

5.4.1 Contribution to the built environment

No requirement - For information only

Guidance

The constructional steel supply chain is a key contributor to the built environment, its sustainability impacts and to future advances in the field of sustainable construction. Reinforcing and structural steels are fundamental products in the construction industry globally and are material contributors to a range of sustainability impacts, including embodied GHG emissions. Steel is 100% recyclable, is highly durable and can be indefinitely recycled without losing its properties and with very minor process losses.

This criterion is included for information only as it is a requirement of some building rating schemes - no action is needed.

5.5. Financial Transparency

5.5.1 Financial reporting

The organisation shall produce externally audited accounts and financial reports for the latest financial reporting period.

Guidance

Ethical business practices include the transparent and timely publication of audited financial statements. The financial statements shall meet local legislative requirements aligned to international financial norms. They shall be audited according to local legislative requirements aligned to international financial norms.

5.5.1 Evidence

Publicly available Annual Financial Reports and Accounts with Auditor statement, name and date that meet local legislative requirements aligned to international financial norms.

6. Performance improvement

The organisation shall commit to improving performance, reducing its negative and enhancing its positive sustainability impacts. This includes improving the effectiveness of systems used to manage; business ethics, environmental, social, community, health and safety, labour and human rights, and economic impacts across direct operations, supply, distribution and sales chains.

Performance improvement is enabled by many factors including: effective collaboration, clear policy commitments, objective setting, ensuring appropriate competencies and adequate resources, implementing internal and independent third-party audit regimes and corrective action planning, analysis of data, incident investigation, evaluation of suppliers, customer satisfaction monitoring and analysis, annual performance monitoring, management and maturity review and public reporting.

There shall be a documented procedure(s) for identifying the cause of non-conformance and implementing the necessary corrective action including implementing or modifying controls necessary to avoid repetition of the non-conformance. The procedure(s) shall define the responsibility and authority for handling and investigating non-conformances and for initiating and completing corrective action. Any corrective action taken to eliminate the causes of actual and potential non-conformances shall be appropriate to the magnitude of problems and commensurate with the impact encountered.

The corrective action procedure(s) shall provide for dealing with stakeholder complaints. Documented information of all stakeholder complaints received, and action taken shall be retained for a minimum of three years. Action shall include modification to the sustainability operational procedures where appropriate.

Performance indicators shall be developed and implemented to monitor the sustainable constructional steel criteria for internal management use, performance, reporting, and for assessment against conformance with this scheme including for mandatory requirements of voluntary credit requirements that feed into the Rosette Rating System (RRS) evaluation.

Performance improvement targets should take account of climate and ecological science, society and community expectations and the organisations operational context. The targets should seek to align or better expectations expressed in international standards, agreements and norms. For example, targets for GHG emission reductions should align to a Paris Agreement aligned transition pathway.

The organisation shall meet all mandatory requirements to achieve a “Pass” level. The RRS is designed to give an opportunity to the organisation to demonstrate additional performance across the full range of material sustainability impacts. The voluntary performance credits are available by completing the credit rating criteria in Annex 1 and the provision of suitable evidence. Procedures and systems shall be in place to provide an audit trail and allow data and evidence collected to be verifiable.

Annex 1 Self-Assessment and Audit workbook, self-assessment shall be completed and submitted to CARES once per year **at least two weeks** before the CARES audit takes place in the prescribed format. Annex 1 self-assessment will be analysed at CARES and will form part of the subsequent CARES audit assessment and rating.

The product performance is additionally required to be demonstrated through an independently verified triennial Carbon Footprint report that conforms to the requirements of ISO 14025 and EN 15804, which shall be publicly available.

Mandatory Requirement

- Documented information as evidence of continual improvement
- Documented Procedure(s) for identification of non-conformances and implementing corrective actions
- Documented information as evidence of internal audit
- Annually Completed - Annex 1 - Self-Assessment and Audit Workbook

Carbon Footprint Report

7. Declarations and product labelling

Steel shall be labelled and supplied with the necessary electronic documentation to enable the products to be traced. Product conformity schemes such as CARES Steel for the Reinforcement of Concrete (SRC) shall ensure that steel supplied to the end user consistently satisfies the requirements of the product standard and is digitally traceable (See CARES Cloud - <https://cares.cloud/>) from initial production to final use.

Declarations of product conformity with the Scheme, including product labelling, shall be made only for products which fully conform, and which have been handled in compliance with the requirements of this Scheme.

Statements of conformity to this Scheme shall take the following form: “This steel has been produced in compliance with the requirements of the CARES Sustainable Constructional Steel Scheme v10 that conforms to BS 8902.”

Statements of conformity can additionally include a statement on the Rosette Rating where one has been achieved following the form: “This steel achieved a [1, 2, 3 or 4] Rosette Rating”

Any product environmental performance claims shall align to information contained in the EPD.

When a Rosette Rating has been achieved, the associated number of CARES Rosettes (logo) can be included on the organisation’s website, product labelling and associated literature for as long as the approvals and Rosette Rating are maintained. Any change in approval or Rosette Rating requires the immediate removal or adjustment of such marks in line with the current approval.

The Rosettes shall be reproduced as they are on certificate of approval issued to approved firms as per Figure 2. Therefore, they should be in CARES Red (Pantone 193; GB: 211/46/63

CMYK 0/91/65/11 HEX: C95163), accompanied by the word ‘Rating’ sized no bigger than 1.5 x the size of the text size used for the word ‘Rating’ and neither shall be bigger than 7.5mm when presented on A4 and proportionate to these dimensions when presented larger or smaller. The text ‘Rating’ can be above or before the Rosettes.

Figure 2. Rosette Rating reproduction requirements.



Labelling and claims in relation to traceability, including barmarks and QR code labelling, are covered by the CARES Steel for the Reinforcement of Concrete (SRC) schemes using the CARES Digital Record and this shall be followed.

Mandatory Requirement

- Documented information as evidence of compliant product labelling.

8. Additional References

The following documents, guidance, standards have been reviewed and contributed to the development of the SCS scheme requirements:

AA1000 Stakeholder Engagement Standard (AA 1000SES) 2015

Aluminium Stewardship Initiative – Performance Standard v3.0 May 2022

BES 6001: Framework Standard for Responsible Sourcing Issue 4 Nov 2022

BES 6002: Ethical-Labour-Sourcing-Standard Issue 2 July 2018

BREEAM: Criteria for the evaluation of responsible sourcing certification schemes within BREEAM v4.0.'

BS 8902:2009 Responsible sourcing sector certification schemes for construction products - Specification

EN 15804:2012+A1:2013+A2:2019 Sustainability of construction works. Environmental product declarations. Core rules for the product category of construction products

Ethical Trading Initiative (ETI) Base Code

EU Corporate Sustainability Reporting Directive

Global Reporting Initiative (GRI) Standards

Global Reporting Initiative (GRI) Sustainability Reporting Standards

International Financial Reporting Standards (IFRS) S1 Standard - General Requirements for Disclosure of Sustainability-related Financial Information

International Financial Reporting Standards (IFRS) S2 Standard – Climate Related Disclosures

International Labour Organisation (ILO) Conventions

International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

ISO 14001:2015+A1:2024 Environmental management systems - Requirements with guidance for use

ISO 14025:2006 Environmental labels and declarations. Type III environmental declarations. Principles and procedures

ISO 14040:2006+A1:2020 Environmental management. Life cycle assessment. Principles and framework

ISO 14044:2006+A1:2017+A2:2020 Environmental management. Life cycle assessment. Requirements and guidelines

ISO 14046:2014 Environmental management — Water footprint — Principles, requirements and guidelines

ISO 14050:2020 Environmental management - Vocabulary

ISO 20400:2017 Sustainable procurement – Guidance

ISO 22095:2020 Chain of custody - General terminology and models

ISO 26000:2010 Guidance on Social Responsibility

ISO 45001:2023+A1:2024 Occupational health and safety management systems - Requirements with guidance for use

ISO 50001:2018+A1:2024 Energy management systems - Requirements with guidance for use

ISO 9001:2015+A1:2024 Quality management systems. Requirements

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

PAS 2050:2011 Specification for the assessment of the life cycle greenhouse gas emissions of goods and services

PAS 2080:2023 Carbon management in infrastructure

ResponsibleSteel International Production Standard v2.1

SA 8000:2014 Social Accountability International Standard

Steel Standards Principles (SSP)

UN Guiding Principles on Business and Human Rights

UN Sustainable Development Goals

Universal Declaration of Human Rights



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