

# THE EVOLUTION OF ASI'S ENVIRONMENTAL SUSTAINABILITY CHARTER (ESC)

***Sustainability in the building, construction and industrial markets plays a significant role in business practices—in much the same way as safety and quality did decades ago. Momentum in this space is now shifting up a gear, with sustainability quickly becoming a licence to operate. In response, the ASI's Environmental Sustainability Charter (ESC) will transition to the Steel Sustainability Australia (SSA) certification program in late 2022—a new sustainability certification program that engages the entire steel value chain.***

According to the World Green Building Council, 75% of annual global greenhouse emissions are from the built environment (encompassing buildings and infrastructure). Buildings are responsible for approximately 30% of global energy consumption, 30% of greenhouse gas emissions and, on average, 50% of emissions in major cities.

In June 2022, Prime Minister Anthony Albanese pledged to cut carbon emissions by 43% from 2005 levels by 2030, up from the previous government's target of between 26% and 28%. Prime Minister Albanese also reaffirmed the Federal Government's commitment to net zero emissions by 2050. The new target brings Australia more in line with other developed economies' Paris climate accord commitments.

All these factors make the building and construction sector a high priority target for decarbonisation. Momentum for change is being driven across a broad range of fronts: all tiers of government, large corporates such as BHP and Lendlease putting their supply chains on notice, influence from a growing array

of not-for-profit and community groups, 'green finance' such as the global green bond market, and super funds targeting investments in public companies with high sustainability credentials.

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

## **BACKGROUND TO THE ESC**

The Environmental Sustainability Charter (ESC) was established in partnership with the Green Building Council of Australia (GBCA) in 2011, with the objective of delivering ongoing meaningful improvement to the environmental footprint of certified steelwork fabrication and steel processing companies, reducing the reliance on fossil fuel derived energy, waste minimisation, broadening participation in the circular economy, protecting the environment, and the management of air contaminants on the shop floor. Participants plan and log environmental sustainability projects which often measure the effectiveness of new processes and technological enhancements on energy reduction. The ESC has experienced rapid growth over the last three years, and is widely recognised as the premier sustainability certification for downstream steel fabricator and processing businesses. Performance is documented through an online environmental management

## **QUICK GUIDE: WHAT'S CHANGING AND WHY?**

The ESC is undergoing an in-depth revision and will transition to the *Steel Sustainability Australia (SSA)* certification program in late 2022.

The revision aims to:

- Respond to the increasing demand for more sustainable, and responsibly sourced materials in the construction industry
- Meet current and future expectations of multi-dimensional sustainability (ESG) requirements across the broader steel supply chain and support participating steel suppliers with a program that demonstrates compliance
- Align with the Responsible Products Framework under GBCA's revised Green Star rating tool



system (EMS) which is verified annually by a third-party auditor and certified to a level of performance. An ESC-certified steel supplier attributes 1 credit point towards a Green Star project under GBCA's Green Star Design and As Built rating.

**ESC TRANSITIONS TO STEEL SUSTAINABILITY AUSTRALIA (SSA)**

With increasing sustainability demands, ESC is undergoing a significant transition process, and will soon adopt the GBCA's new Green Star Responsible Products Framework.

A broad array of new Environmental Social Governance (ESG) initiatives will enable SSA certified companies to access a far greater number of Green Star credit points for building and construction projects, whilst driving best practice sustainability improvements across their operations. We believe Green Star credit points and proof of sustainability accreditation will be in growing demand for construction projects.

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

- **Responsible:** the manufacturer is transparent about its product's impacts and contents.
- **Healthy:** the manufacturer's products are low or nontoxic and drive valuable social outcomes.
- **Positive:** the manufacturer's processes avoid significant environmental impact, and deliver net zero products.

- **Circular:** the manufacturer is ready for low-carbon production and the circular economy.

**THE NEW STEEL SUSTAINABILITY AUSTRALIA (SSA) PROGRAM**

As part of the ESC's next stage of evolution, it will transition to the *Steel Sustainability Australia (SSA)* certification program. The SSA program engages the entire steel value chain by verifying upstream steel producers supplying the steel feedstock and certifying the downstream suppliers against best practice environmental, social and governance (ESG) indicators (as shown in the table below). SSA will offer:

- A tiered certification model providing 4 pathways to achieve certification. Levels 1 and 2 (2A and 2B) will be active in the first release (late 2022), and Level 3 will be released in a further iteration
- Compliance to broader sustainability indicators including environmental, social and governance (ESG) requirements for steel producers and downstream fabricators, rollformers, and reinforcing processors
- Alignment to the revised Green Star tool by complying to the Responsible Products Framework, allowing certified SSA suppliers to contribute up to five Green Star credit points\* towards the structure on a project

The SSA program has been approved by the GBCA and will go out for public consultation. To keep up to

date with the latest SSA news, visit [steelsustainability.com.au](http://steelsustainability.com.au) by scanning the QR code below.

**BENEFITS FOR SSA CERTIFIED SUPPLIERS**

- Provides assurance to customers that the steel supply is reducing its environmental and social impact
- Competitive advantage for members enabling them to stay current in the market
- Ability to contribute up to five Green Star credit points\* towards the structure on a project
- Potential cost savings by identifying and implementing operational efficiencies
- Access to sustainability resources such as a Life Cycle Analysis tool when SSA Level 3 is released
- Enables members to build a strong sustainability brand through a suite of relevant and fit for purpose ESG, circular economy and carbon reduction initiatives

**THE TRANSITION**

Current ESC members, and new members that join prior to the SSA taking affect, will be certified to the existing ESC until 30 June 2023. ESC members will have from the release date of SSA (late 2022) to next year's audit (April-June 2023) to prepare for their chosen level of SSA certification (Level 1 or 2).

\* Refer to the GBCA website for further information on the Green Star program

PROPOSED SSA PROGRAM CERTIFICATION MODEL						
Principle	Credit	RPV	L1	L2A	L2B	L3
<b>Governance</b>	1.1 Business Integrity	-	✓	✓	✓	✓
	1.2 Management Systems	-	✓	✓	✓	✓
	1.3 Stakeholder Engagement	-	✓	✓	✓	✓
<b>Responsible</b>	2.1 Environmental Management	1	✓	✓	✓	✓
	2.2 Environmental Product Declaration	4		✓		✓
	2.3 Health Impacts Disclosure	1			✓	✓
<b>Healthy</b>	3.1 Paints and Coatings	1		✓	✓	✓
	3.2 OH&S Management	1	✓	✓	✓	✓
	3.3 Procurement OH&S Assessment	1			✓	✓
	3.4 Modern Slavery	2			✓	✓
<b>Positive</b>	4.1 Responsibly Sourced Steel	2	✓	✓	✓	✓
	4.3 Carbon Emissions Reduction	1				✓
<b>Circular</b>	5.1 Resource Management	1		✓	✓	✓
<b>RPV Total</b>		<b>15</b>	<b>4</b>	<b>10</b>	<b>10</b>	<b>15</b>

Note: The proposed SSA program is subject to change based on consultation with GBCA and other stakeholders.

**FOR FURTHER INFORMATION:**  
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**OR CLICK HERE TO VISIT THE STEEL SUSTAINABILITY AUSTRALIA WEBSITE >>>**