Sustainable Constructional Steel Scheme

Guidance: Traders

Contents

Amendment Control Sheet

Section	Amendment	Date of Issue
V10 draft	New version 10 – Traders New scope under SCS therefore first draft of suite of documents, including this Guidance document.	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 certification of steel from 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.

It's 100% identity preserved, fully traceable, chain of custody system, covers the trading of constructional steels.

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)
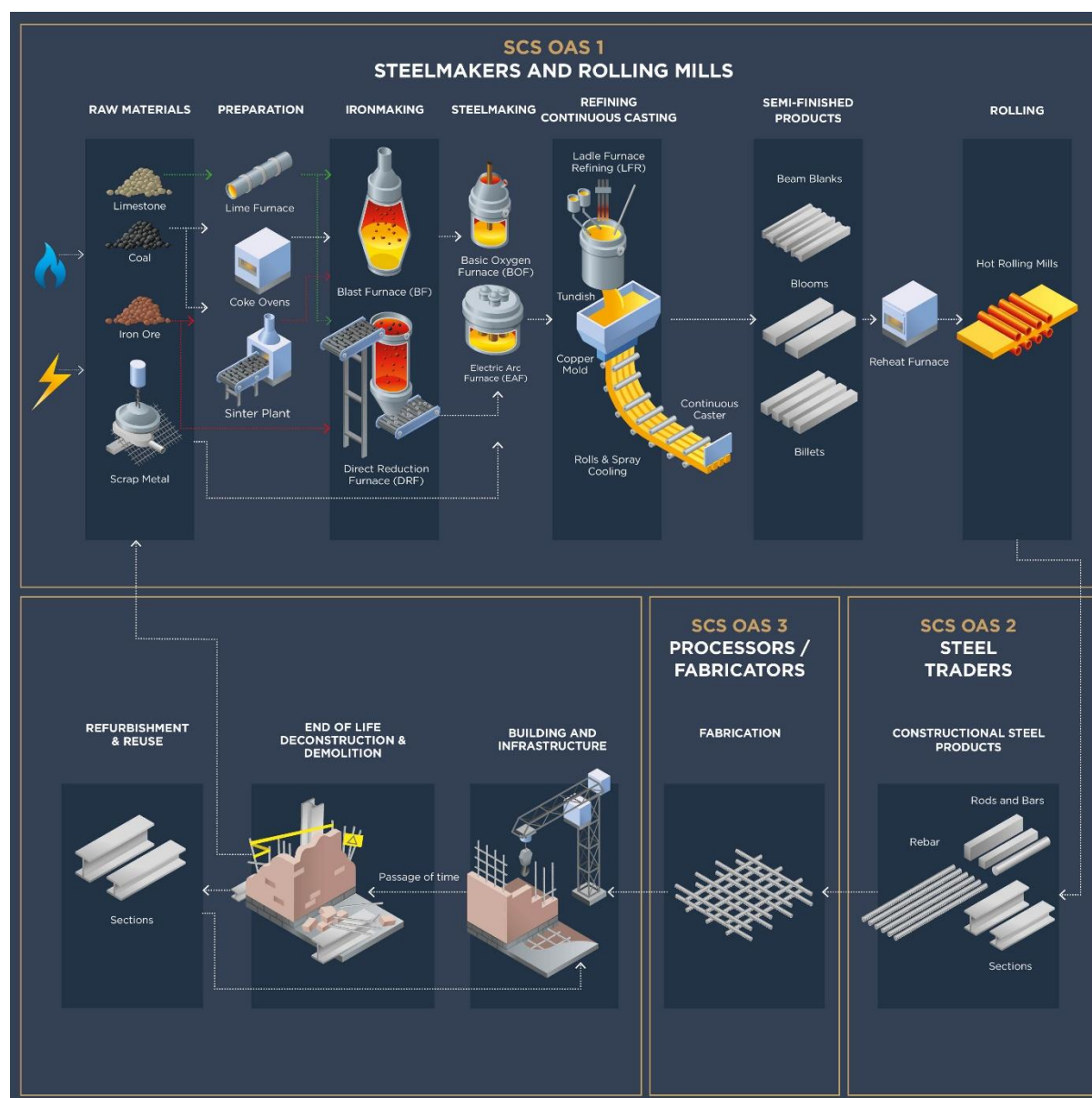
This Guidance document is designed to support traders seeking certification to the scheme. It supports an understanding of the requirements of the Operational Assessment Schedule (OAS – 'the Schedule'), including for mandatory requirements *which organisations **shall** demonstrate to gain certification* 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 the *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.

Annex 2 – Schedule of Operations is not relevant to Traders. 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.

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
Annex 1 – Annually Completed Self-Assessment and Audit Workbook

Scope:
The Scheme is applicable to trading of the following steel product categories:

- Carbon steel billets, carbon steel bars/coils and wire rod for further processing into carbon steel bar, coil or rod for the reinforcement of concrete to national and international steel standards acceptable to CARES.

- Stainless-steel billets and stainless steel bars/coils for the reinforcement of concrete to national and international stainless steel standards acceptable to CARES.

- Cold worked bar, wire, fabric (mesh), prestressing wire and prestressing strand to national and international stainless steel standards acceptable to CARES.

- Steel billets/blooms/beam-blank and structural steels to national and international steel standards acceptable to CARES.

- Steel slabs and hot rolled flat steel products to national and international steel standards acceptable to CARES.

- Steel billets/blooms/beam-blank, track rail and other rail steel products to national and international steel standards acceptable to CARES.

- And/or Steel products made to national and international steel standards acceptable to CARES

It relates to:
- The purchase and supply of steel products
- The transportation of steel products
- The stockholding, packaging and the reconsignment of steel products
- The trading 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:
- ISO 9001 QMS
- ISO 14001 EMS
- ISO 45001 OH&SMS

If the trading organisation does not hold valid ISO 14001 and ISO 45001 certificates then their steel suppliers shall hold valid ISO 14001 EMS and ISO 45001 OH&SMS certificates. Traders shall pass on valid certificates to their customers.

Approved traders under the scheme shall have been deemed to have satisfied the sustainable constructional steel criteria in this Schedule as documented in the Annex 1. Trader certification enables an unbroken chain of custody based on the identity preserved traceability model used by the CARES digital traceability system (CARES Cloud - https://cares.cloud/) and its Digital Record.

SDG Alignment – 1. Company Information and Certifications

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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 enable sustainability performance to be improved through the value chain 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 this schedule there shall be a documented procedure(s) to ensure those acting on the organisation's behalf (contractors or agents) comply with the organisation's sustainability policy requirements that relate to them.

There shall be a documented procedure(s) for purchasing steel. Any steel to be supplied shall be from a CARES Sustainable Constructional Steel scheme certified producer, or from an organisation possessing a valid sustainability certificate acceptable to CARES, and shall be controlled through the purchasing procedure. Purchasing procedure(s) shall include all aspects of the steel specification which are important in ensuring satisfactory steel quality, delivery conditions, transport arrangements, stockholding, 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 trading activities.

Mandatory Requirements:
- Documented information as evidence of SMS Manual or another Manual acceptable to CARES
- Documented Procedure(s) to control subcontract works, contractors and agents
- Documented Procedure(s) for purchasing and transporting steel
- Documented Procedure(s) for stockholding steel if relevant

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

- Recognise the material sustainability impacts associated with input materials for steel manufacture, steel production, fabrication and transport at all value chain stages. Material impacts include: Environmental, health and safety, employee wellbeing and mental health, human rights, labour rights, ethical business practices, good corporate governance to avoid bribery and corruption, community, social and economic impacts

- Comply with applicable legislation, regulations and voluntary compliance commitments and obligations

- Maintain awareness of and pass on links to or summary information related to the measurement, monitoring and public disclosure of material impacts, summary plans and targets to manage them and associated performance as published by steel producers

- Support and promote continual improvement on a pathway towards fully sustainable and responsible practices covering the material impacts of the steel value chain. This shall include a commitment to support investigation and remedy in the event of environmental harm, unethical business practices, human or labour rights violations. Support and promote the decarbonisation of steel 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

- Support and promote the decarbonisation of shipping and transportation sectors

- Enable responsible sourcing and ethical supply chain practices including the fair treatment of suppliers and customers; 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

- Use, support and promote the CARES Digital Record to enable effective controls on traded products

- Document and act on any beaches 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 organisations management systems 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, codes of conduct or similar documentation

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 the 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

2.2.1 Engagement
The organisation shall publish a list of its key stakeholders, including those which can control or influence sustainability impacts and those impacted across supply routes. It shall highlight the degree of control and influence on sustainability impacts and the nature of this influence and make this information publicly available.

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

Traders shall be aware of material sustainability impacts across supply routes used by the trader, and of the stakeholders which are most impacted and the stakeholders which have the most potential to control or influence these impacts.

Publishing a list of stakeholders groups and sustainability impacts can be within the sustainability policy. This is not required at a commercial level, i.e. specific producers or fabricators do not need to be named.

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

References:
- The AA1000 Stakeholder Engagement series of standards
- Universal Declaration of Human Rights
- International Labour Organisation series of standards (Conventions and recommendations)
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- 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

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, working practices, record keeping and maintaining trading documentation (e.g. commercial invoice, bill of lading, delivery note, certificate of origin, mill test certificate, packing list, customs declaration, import/export permit), policies, rules, trade 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 a fuller 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 (EoL); 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 trading practices, environmental impacts, social, labour, human rights, community and socio-economic aspects. The risk and opportunity assessment can be combined with the materiality assessment as long as it looks beyond financial risks only.

Sustainability risks and opportunities within this scheme are mainly associated with the production, processing and fabrication of steel products. There are additional risks for traders specifically associated with legal and commercial transfer and trade of steel products. This can include risks associated with seafarers involved in shipping the products. For the avoidance of doubt, traders have a role to play whether they physically handle, stock, transport or otherwise transfer steel products or if they only play a role in arranging these trades and processes and have no contact with the physical product. Traders may or may not own the steel products. As such, sustainability risks and opportunities should be understood and documented, together with the degree and nature of control or influence the trader has over them and other stakeholders who have control and influence

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, 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. Sustainability information and chain of custody

2.4.1 Transfer of information

The organisation shall enable the transfer of the
following, relevant sustainability information from the source of the purchased or procured steel products - steel manufacturers, or other traders - to its customer.
1. Sustainability management and responsible sourcing practices
2. Ethical trading practices and compliance
3. Environmental performance including use of the CARES Digital Passport including an Environmental Product Declaration.
4. Social including human rights, labour conditions and health, safety and wellbeing performance
5. Economic performance

Guidance

The transfer of sustainability information shall enable customers downstream of the trader to be fully appraised of the responsible sourcing and
sustainability management and performance of upstream supply chain as part of a chain of custody. This includes the transfer of information relating
to certifications held by producers (and from their suppliers if available/for high risk materials), sustainability risks and opportunities, performance and strategies, action plans and reporting.

Provision of this information can be through links to publicly available information published by the supplier, SCS and other certifications acceptable to CARES, and additionally by highlighting sector summary information as published by CARES such as its annual Sustainability Report available via the CARES website. Use of the CARES Cloud and Digital Record is mandatory and that includes transfer of producer, product conformity and supplier certifications, and an EPD.

An EPD provides a standardised way of communicating the life-cycle environmental impacts of a product according to a defined standard. Provision of an EPD allows clients and contractors to understand the embodied carbon of the constructional steel products specified and to introduce thresholds and targets to reduce them over time. Traders shall ask their steel mill suppliers to publish a third-party verified EPD to EN 15804. The trader shall provide an estimate of tonnes of CO_2-equivalent emissions per tonne of constructional steel product (GWP) to customers for each transaction.

If company specific EPD's are not available the trader shall estimate the GWP by using the most recently published CARES sector average EPD (available from https://www.carescertification.com/certification-schemes/environmental-product-declarations). This EPD is an average based on steel producers which have been certified to the CARES SCS scheme.

2.4.1 Evidence:

Documented information as evidence of the transfer of relevant information to customers. Registration and use of the CARES Cloud and Digital Record.

2.4.2 Monitor operational impacts, setting objectives and targets

The organisation shall monitor its own sustainability performance, identify and adopt sustainable development objectives and targets.

Guidance

The most material impacts are upstream at the steel producer hence the requirements in 2.4.1 and the trader cannot set objectives or targets related to them. However, direct risks and opportunities which it has control over and indirect risks where it can exert influence can have sustainability objectives and targets associated with them.

What this means in practice is that traders have control and can make choices over:
- How they control and share information related to sustainability impacts
- The promotion of responsible and sustainable practices, and customer, supplier and other stakeholder interaction on these matters
- Where they bank, gain insurance, financial services, loans and investment and their use of more sustainable financial products and services
- Their use of energy and associated emissions from running office(s) and when travelling
- Terms and conditions for, the development and treatment of employees and their wellbeing
- Procurement terms and conditions for any agents, agencies or contractors used by the trader
- How they conduct business to maintain compliance and avoid anti-competitive or corrupt practices and to promote ethical practices

Traders can therefore set objectives and targets associated with these areas. These may be related to favouring business with organisations which can demonstrate high sustainability, ESG performance and Ethical conduct or through negotiating terms with sustainable and responsible management and performance conditions or requirements within them. They can also be set in relation to internal decisions including choice of supplier, such as the electricity provider and the tariff that is chosen on contract renewal. For example renewable energy tariffs can be selected to minimise contributions to climate change. Employee development and actions in support of employee wellbeing can also be subjects of target setting.

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 for a key performance indicator (KPI) 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).

When objectives and targets are already in place, or after risk and opportunity assessment it has been concluded there is not a requirement for objectives and targets, this position can be ratified and documented.

2.4.2 Evidence:
Documented information of monitoring impacts, objective and target setting process.

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 summary 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 summary action plans.

2.5. Resource allocation and competence building

2.5.1 Allocating sufficient resources
The organisation leadership shall allocate responsibility for meeting its sustainability policy and implementing its SMS. It shall ensure that appropriate resources are allocated to achieve its sustainable development objectives, company values and commitments.

Guidance
Sufficient time and resources shall be made available to those responsible for implementing the sustainability policy.

2.5.1 Evidence
Documented Management Review, Budgets, Company strategies and plans.

2.5.2 Learning and development needs
The organisation shall identify the learning and development needs of employees particularly those with 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 particularly those with special responsibility for meeting stated objectives and improving sustainability performance can be assessed and documented.

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

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 ethical business practices, code of conduct, H&S, fundamental rights at work and other areas as identified.

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
- Sufficiency of resources to manage impacts
- Progress of its key performance indicators (KPIs) and against its sustainable development objectives
- 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, objectives and targets and progress towards them, if longer-term strategic changes are required as well as shorter-term tactical management.

2.6.1 Evidence

Documented information as evidence required for each impact category (e.g. minutes of Management Review Meeting or of sustainability management having been reviewed in another meeting, any pertinent stakeholder feedback, performance review

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, and shall publicly report strategies, 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, its material sustainability impacts and what it is doing about them; and how it can influence material impacts that occur at other value chain/life cycle stages (from sourcing to final product delivery). It shall publish relevant policies; actions and performance for its direct impacts.

Public reporting shall be ongoing and accessible, i.e. sustainability reporting shall be maintained for the complete period of certification and not temporarily made available and then removed.

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.

2.8. Product Stewardship and Traceability

2.8.1 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. Traders shall enable full traceability of every transaction of CARES approved constructional steels by using the CARES Digital Record.

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. This includes product conformity certificate and quality data, the associated EPD, quantities, geolocation for each transaction and product transfer.

2.8.1 Evidence

Documented Procedure(s) for maintaining identification, traceability and labelling.

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 including fair treatment of suppliers and customers.

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.

It can be published in one or more policy documents, codes of conduct or similar documentation.

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 (EoL) reinforced concrete elements such as floors and walls, reusable steel products such as structural steels, should be separated for reuse where viable 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 trading practices,
shipping practices, 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.

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 the 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.

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)

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

SDG Alignment – 3. Environment

3.1 Environmental Management System

3.1.1 Environmental Management System
The organisation shall implement and maintain a documented environmental management system (EMS) which is aligned to the requirements of ISO 14001 (or equivalent). The scope and formality of the system shall be appropriate to the size of the organisation and the nature of its risks.

Guidance
An Environmental Management System is a structured approach, to identify, manage and continually improve their environmental performance. The EMS should enable the organisation to meet its legal obligations and meet recognised guidance.

The requirements of an effective EMS include publishing and maintaining an Environmental Policy, implementing a documented system to identify, assess and control hazards to the environment, making employees and visitors aware of environmental hazards and management measures, training employees on pertinent environmental procedures and practices, provision of equipment and resources to avoid and reduce risks to the environment, periodic management review of the system and its outcomes and evidence of continual improvement of the system.

The scope of the system shall enable the organisation to monitor and minimise negative impacts of its material impacts including water use, energy use, transport and maximise material, energy and resource efficiencies.

Changes to ISO 14001 introduced in 2024 include a requirement to understand how climate change is relevant to the organisation and where relevant to introduce actions towards decarbonisation

An effective EMS can help enhance the reputation of an organisation, and can result in tangible benefits, such as reduced waste, energy conservation, and cost savings. Smaller organisations may not deem certification to be necessary or cost effective. When this is the case, the system shall still be implemented and be documented so you can demonstrate it is equivalent to the ISO standard requirements. The scope and formality of the system can be adjusted as appropriate to the size of the organisation, the nature of its risks and the availability of resources to implement a very detailed formalised system.

3.1.1 Evidence
Documented information as evidence of Environmental Management System proportionate to the size and risks of organisation

Reference:
- International Organization for Standardization ISO 14001:2015/Amd 1:2024 Environmental Management System.

3.2. Energy Use

3.2.1 Energy use and 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 increasing renewables usage. It shall also include energy efficiency measures to reduce energy demand over time.

Guidance
The organisation shall implement a system to monitor its energy use, assess associated environmental impacts and set relevant objectives to reduce negative impacts. It should aim for the data to become more accurate over time. It may work with suppliers to source this information.

Monitoring all energy sources and uses such as electricity for power and heating, gas or fuel oil for heating, petrol and diesel for vehicle fuels and any other energy sources provides the basis to calculating your Greenhouse Gas emissions and carbon footprint. Greenhouse Gas (GHG) emissions are also referred to as 'carbon emissions' as the main gas that influences the greenhouse effect is Carbon Dioxide.

Objectives shall be set to reduce negative impacts. These can relate to the sources of energy used, avoiding and reducing energy use. It can also include energy efficiency measures to reduce energy demand over time, such as through any construction work specifications, selection of energy using including IT equipment, lighting and HVAC. Objectives should be aligned with and support GHG emission reduction objectives.

3.2.1 Evidence:
Documented information as evidence of energy monitoring, energy use assessment and objectives

3.2.2 Renewable and low carbon energy
The organisation shall complete the 'KPI' within the Self-Assessment and Audit workbook for 'Renewable and Low Carbon Energy' and shall publicly report the value.

Guidance
Increasing the use of renewable energy is a good way to support decarbonisation and is an action that can be taken very quickly. Renewable energy includes heat and electricity and can be directly generated or based on market contracts of certified sources acceptable to CARES. Contractual agreements enable you to buy 'renewable energy' even though you don't see a change to the services you receive – you are buying renewable energy generated somewhere even if the grid mix (or the heat mix) locally has a different emissions profile. Nuclear generated energy is classed as low carbon energy.

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.

3.2.2 Evidence
Completed 'KPI' within the Self-Assessment and Audit workbook for 'Renewable and Low Carbon Energy' and public reporting of it.

3.3. Greenhouse Gas (GHG) Emissions and Global Warming Potential (GWP)

Guidance

The global steel industry is responsible for 7-9% of GHG emissions which are driving climate heating and associated impacts. 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 Degree Celsius above pre-industrial levels with efforts to limit temperature increases to 1.5 Degree Celsius.

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

CARES role is to provide third-party verified GHG emissions data based on robust methodologies that can inform decarbonisation decision making by steel producers and construction and infrastructure stakeholders as well as encouraging other stakeholders to reduce their impacts.

Traders have a role to pass on Global Warming Potential (GWP) data associated with traded products to their customers as well as making efforts to reduce their own climate impacts.

3.3.1 GHG Emissions Measurement and Monitoring
The organisation shall have a system for measuring, monitoring and reducing its GHG Emissions.

Guidance

The organisation shall record its direct and indirect GHG emissions related to its own operations. Emissions are often referred to in the terminology of the WRI Greenhouse Gas (GHG) Protocol which uses 'Scopes' to breakdown and calculate emission sources.

Scope 1 is direct combustion of fuels, for example in a boiler on your premises or of fuel in any company vehicles. Scope 2 is indirect emissions typically associated with the generation of electricity. Scope 3 emissions cover a range of 15 categories and covers all other emissions not covered by Scope 1 and Scope 2 including business and employee travel.

3.3.1 Evidence
Documented information as evidence of GHG emissions measurement and monitoring according to the GHG protocol and reduction plan.

3.3.2 GHG Emissions verification
The organisation should obtain third-party verification for its GHG emissions.

Guidance

Larger organisations with more significant GHG emissions profiles, may seek verification of their GHG emissions. Additional performance credits can be obtained by commissioning a suitably qualified third-party to verify your emissions inventory and calculations.

Rating:
To score 2, the organisation has a current GHG inventory and calculations verification report from a suitably qualified third-party

3.3.2 Evidence
Documented information as evidence of GHG emissions measurement and monitoring according to the GHG protocol and reduction plan with a Third party GHG Emissions verification report.

3.3.3 Product GHG Emissions Measurement and Monitoring
The organisation shall have a system for measuring and monitoring the GHG Emissions associated with trade in products.

Guidance
The organisation shall record its indirect GHG emissions associated with the shipping of its products. It shall record the embodied GWP emissions associated with the product from the supplier EPD and the total GHG emissions by weight of each shipment.

3.3.3 Evidence
Documented information as evidence of shipping GHG emissions and product GHG emissions measurement and monitoring

3.3.4 GHG emissions reduction targets and plans
The organisation should set and publish short (1-5 years) and medium term (5-15 years) GHG emissions reduction targets for emissions under its control. It shall document plans to achieve the targets and publicly report the targets and summary plans.

Guidance
A baseline year can be defined. Emission sources can be prioritised and appropriate targets set. The organisation should set and publish short (1-5 years) and medium term (5-15 years) GHG emissions reduction targets for emissions under its control. It shall document plans to achieve the targets and publicly report the targets and summary plans.

The organisation should seek to align to or move quicker than decarbonisation pathways as defined by national legislation, regulations and guidance. The decarbonisation actions in your reduction plan should lead to reductions and target reductions consistent with a 1.5 Degree Celsius trajectory. Emissions reduction actions can form the initial decarbonisation plan and efforts to demonstrate how this is aligned to a 1.5 Degree Celsius trajectory should be developed over time and within 3 years of first certification to this scheme.

Rating:

To score 1, the organisation is developing compliant targets and a decarbonisation plan

To score 2, the organisation has developed compliant targets and a detailed internal decarbonisation plan

To score 4, the organisation has developed and publicly reported compliant targets and a summary decarbonisation plan

3.3.4 Evidence

Documented information as evidence of short (1-5 years) and medium-term (5-15 years) GHG emissions reduction targets with internal plan for achieving them. Public reporting of the emissions baseline, emission reduction targets, outline plan and implementation progress, noting that commercially sensitive detail does not need to be publicly reported.

3.4. Transport and Shipping Impacts

Guidance

The environmental impacts of transport and shipping are significant due
to energy needs and use of fossil fuels (e.g. vehicle, aviation and shipping fuels).
This creates air pollution, including nitrous oxides and particulates and is a significant
contributor to global warming through CO_2 emissions. Transport impacts include
nuisance impacts on local communities such as through dust, congestion and health
and safety risks. While of less significance, they also include the transport impacts of
conducting business operations such as employee commuting, and business travel.

3.4.1 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 commuting are small compared to steel
production and shipping, monitoring and reducing the impact of employee
commuting 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.

For employees this can include understanding commuting modes and incentivising
lower impact commuting, such as subsidising public transport use and cycling
schemes. The role of home working can be considered.

Should organisations wish to calculate the GHG emissions associated with employee
commuting then the modes of transport can be split further to increase accuracy, e.g.
petrol, diesel and electric cars, public transport use trains and buses, cycle use,
walking. 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.

Rating:
To score 1, the organisation should record employee commuting 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.

3.4.1 Evidence
Documented information as evidence of transport mode used by employees while
commuting, total km's travelled and any projects to reduce impact. Completion
of Section 'Employee Commuting' in the 'Transport Impacts' worksheet within Annex 1.

3.4.2 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 steel production and shipping, 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.

For business travel, travel modes and distances can be monitored and objectives set to encourage travel by lower impact modes. Videoconferencing can be used to reduce business travel where appropriate.

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.

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 additionally convert distances to GHG emissions and have projects/initiatives to reduce business travel impacts.

3.4.2 Evidence

Documented information as evidence of transport mode used by employees on company business, total km's travelled and any projects to reduce impact. Completion of Section 'Business Travel' in the 'Transport Impacts' worksheet within Annex1.

3.4.3 Transport impacts – Product shipment

The organisation should record and assess product shipping impacts and set objective(s) to reduce these impacts.

Guidance

Trading organisations have a particular role to play in relation to minimising GHG emissions from shipping and transportation, especially if they arrange it. Objectives and targets for reducing shipping and transportation emissions can be considered.

The impacts of product shipments can be monitored and documented. This criterion also supports customer responsible sourcing and supply chain due diligence practices including the assessment of supply chain risk and the generation of scope 3 emissions data.

Rating:

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

To score 2, the organisation should additionally convert the modes and distances to GHG emissions

To score 4, the organisation should additionally implement projects/initiatives to reduce shipping and transportation impacts

3.4.3 Evidence

Documented information as evidence of shipping impacts and any projects to reduce impact. Completion of Section 'Shipping Impacts' in the 'Transport Impacts' worksheet within Annex 1.

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

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 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
4. 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
6. Advance equal opportunities and non-discrimination practices
7. Provide a mechanism for employees to raise a compliant or grievance and have it fairly assessed and responded to in a timely manner

Guidance

The scope of the policy indicates the issues to be managed by the organisations management systems 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, codes of conduct or similar documentation.

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.

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.
Human rights risks may be highest in supply chains and can be identified through the risk and opportunity assessment (2.3.1) and measures implemented under section 2 of this scheme can be taken account of to meet the requirements of this section. Additional risks relating to employee human and labour rights can also be addressed under this section.

Many labour rights are enshrined in legislation; however, organisations are expected to remain vigilant and to be able to demonstrate how they ensure labour rights are upheld. Having an effective complaints mechanism is a common way to ensure human and labour rights concerns can be reported and acted on.

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) as well as those relating to their job role.

Shipping and transportation can present high human rights risks. Risks to international seafarers include forced labour, low and unpaid wages, excessive working hours, physical and sexual abuse, and abandonment, often exacerbated by the industry's isolation, complex supply chains, and the use of flags of convenience. Seafarers also face risks to their health from toxic chemical exposure and poor living conditions, while vulnerable groups like young or unskilled seafarers can experience bullying and fear of career damage. These issues are compounded by a lack of oversight and the difficulty of holding employers accountable for violations at sea. Special attention to these risks can be flagged in the policy to enable appropriate risk assessment and responses to be developed.

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 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.

4.1.2 Evidence
Example worker contracts and evidence of communications to employees about their contracts

4.1.3 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.

These mechanisms can also be used for reporting ethical business concerns. Best practice enables anonymous reporting from employees and from wider communities and other stakeholders. In larger companies these mechanisms are often run by an independent third-party. Companie need to take care to ensure people can make a complaint or raise a concern without fear of reprisal.

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

4.1.4 Employee grievance assessment
The organisation shall complete 'KPI' sheet within the Annex 1 for 'Grievance System'

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

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

4.1.5 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, and changing the way things are done.

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.

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

4.2. Health, Safety and Wellbeing

4.2.1 Occupational Health and Safety (OHS) Management System
The organisation shall implement and maintain a documented occupational health and safety management system (OH&SMS) which is aligned to the requirements of ISO 45001 (or equivalent). The scope and formality of the system shall be appropriate to the size of the organisation and the nature of its risks.

Guidance

The requirements of an effective OHS include publishing and maintaining an Occupational Health and Safety Policy, implementing a documented system to identify, assess and control hazards to employee and visitor health and safety, making employees and visitors aware of health and safety hazards and management measures, training employees on pertinent health and safety procedures and practices, provision of suitable Personal Protective Equipment and resources to avoid and reduce risks to health and safety, periodic management review of the system and its outcomes and evidence of continual improvement of the system.

An effective OHS can help enhance the reputation of an organisation, and can result in tangible benefits, such as reduced incidents, reduced harm and cost savings. Smaller organisations may not deem certification to be necessary or cost effective. When this is the case, the system shall still be implemented and be documented so you can demonstrate it is equivalent to the ISO standard requirements. The scope and formality of the system can be adjusted as appropriate to the size of the organisation, the nature of its risks and the availability of resources to implement a very detailed formalised system.

Organisations shall meet their legal obligations to have workers' compensation insurance.

As part of an effective health and safety management system, organisations should monitor health, safety and wellbeing incidents. These may include first aid incidents that do not result in time off work todays with lost time injuries. 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 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 one industry standard measurement and is calculated as the number of lost time injuries for each 1,000,000 working hours.

4.2.1 Evidence:
Documented information as evidence of Occupational Health and Safety Management System proportionate to the size and risks of organisation

Reference:
- International Organization for Standardization
  ISO 45001:2023+A1:2024 Occupational Health and Safety Management System.

4.2.2 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.

4.2.2 Evidence

Documented information as evidence of employee wellbeing programmes.

4.3 Employee skills and training

4.3.1 Skills and training

The organisation shall provide appropriate training and incentives to employees so that they understand how their work may impact on sustainable development, to meet business needs and enable them to progress their career.

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.

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.

4.3.1 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).

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

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. Fair payment practices

5.1.1 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). 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

5.1.1 Evidence

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

5.2 Financial Transparency

5.2.1 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.

5.2.1 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 the 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.

The 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. The Annex 1 self-assessment will be analysed at CARES and will form part of the subsequent CARES audit assessment and rating.

7. Declarations and product labelling

Steel traded 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 using the CARES Digital Record.

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 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"

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.

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

The 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.'

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

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

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 26000:2010 Guidance on Social Responsibility

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

ISO 20400:2017 Sustainable procurement – Guidance

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

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

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

Ethical Trading Initiative (ETI) Base Code

Global Reporting Initiative (GRI) Sustainability Reporting Standards

UN Guiding Principles on Business and Human Rights

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

International Labour Organisation (ILO) conventions

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)

[Universal Declaration of Human Rights](#)

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

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

UN Sustainable Development Goals

The International Financial Reporting Standards (IFRS)