

Operator guidelines for the Low Emission Steel Standard (LESS)

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Short Introduction

This document guides you towards your successful verification against the Low Emission Steel Standard (LESS) – from the preparation of the audit to the use of the LESS label.

LESS aims to accelerate the development of a demand for low-emission as well as near-zero steel and to develop first markets. LESS is particularly designed to accompany the transformation of the steel industry with a classification system. This system can be used to map the gradual path to climate neutrality and allows to compare different steel products. The standard offers you the opportunity to track the progress made in reducing climate-relevant emissions in steel production based on standardised rules and to integrate it into your own sustainability strategies. Having your products LESS verified against LESS demonstrates your contribution to drive the transformation within the steel industry.

LESS can also serve as a basis for simplifying public procurement and promoting the use of low-emission steel by implementing so called lead markets.

LESS is managed and owned by the LESS aisbl, which is an international and non-profit organization based in Brussels, Belgium. Its members are proactively involved and participate in the further development of the standard. For further information can be found on the webpage.

Verification is carried out in accordance with the:

- Rulebook for the Low Emission Steel Standard (LESS),
- Requirements for LESS labelling,
- Operator guideline for the Low Emission Steel Standard (LESS),
- Certification body guideline for the Low Emission Steel Standard (LESS)

All documents apply in their current version that were published and can be found online: www.lowemissionsteelstandard.org.

Note: Please be aware that the PCF¹ or GWP² according to EPD³ underlie different calculation methods and system boundaries than the calculated emission value for LESS classification. The validation, verification or certification of the PCF/GWP is not part of the LESS verification and should have been determined in a separate audit (see document “Requirements for LESS labelling”).

1. Step One: How to apply for LESS verification?

- a) Get informed: read the rulebook, consider the resources needed to successfully reach verification. Contact LESS aisbl for further questions: info@less-aisbl.org.
- b) Consider to become a member of the LESS aisbl. Full membership is open to steel producing companies that applied for verification against LESS. Associated membership is open to all companies of the steel value chain. For further information see www.lowemissionsteelstandard.org.
- c) Get ready for verification: contact an approved certification body to apply for verification. Approved certification bodies can be found on the webpage. Your certification body will guide you through the application and check your ability for the audit. To enable the certification body to evaluate and assign qualified personnel, the certification body will ask you in their application form e.g. for:

¹ PCF: Product Carbon Footprint

² GWP: Global Warming Potential

³ EPD: Environmental product declaration

- Information about the operator, including contact information, production site, contact person
 - Information about the scope of the desired verification, including a description, as specified by the certification body, of the production steps, the products, and the methodology and the classifications to be verified;
 - Information as to whether another certification body has denied or withdrawn verification; and
- d) After signature of a contract with a certification body, you are ready for the audit process. The contract should include a non-disclosure agreement (NDA)

Make sure to prepare the following additional information before you contact an approved certification body to avoid any delays. The certification body might ask this information for the audit preparation.

- Designate main responsibilities for the implementation of LESS in your company
- Information on technical facilities within the LESS scope
- Description of the data management system of the procedures to ensure the correct application of the requirements and process steps of LESS. Further information can be found in the LESS rulebook.
- Your assurance statements or certificate(s) that states relevant information on the PCF/GWP (see "Requirements for LESS label"). The documents need to be available prior to the final verification statement decision after the audit.

The certification body might request appropriate information from you, unless this information is already known. This includes in particular: The name of the operator, the object of the audit, requirements regarding the degree of certainty and materiality, and, if already available, draft documents to be audited along with appropriate substantiation. You shall provide these information the latest three weeks prior to the audit.

Note: The validation and verification of PCF or GWP according to EPD values are not part of LESS audits. Certification bodies only proof that an assurance statement, certificate or equivalent is available for PCF/GWP. The operator itself is responsible for the correct declaration of the PCF or GWP on the LESS label and shall follow the Requirements for LESS label.

2. Step Two: How to prepare for the audit?

Verification against LESS is a multi-stage process. An overview of the audit processes, and their interconnection is shown in Figure 1.

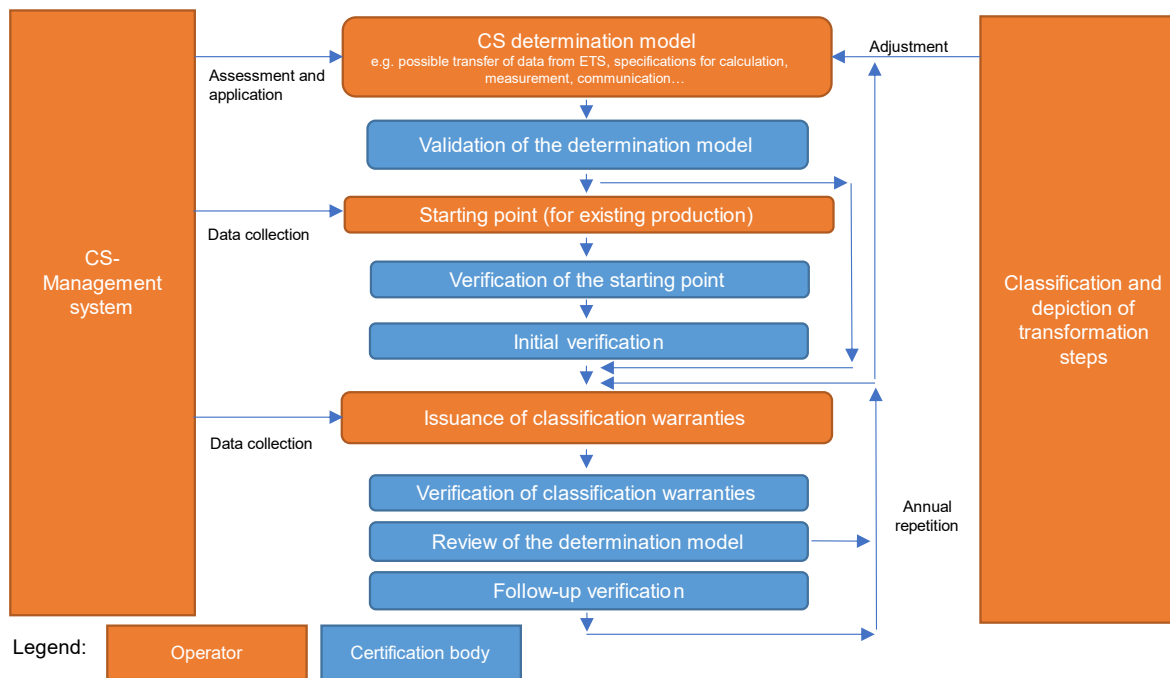


Figure 1: Overview of the classification system audit process.

A distinction is to be made between initial verification and annual follow-up verification. The individual steps and the verification process are explained in chapter 3.

2.1. Prepare your determination model and CS management system

You have to set-up the determination model(s) by yourself. This model contains the detailed calculation methodology according to which you determine the emissions and scrap share of your products/product groups. Set-up your determination model(s) in accordance with the LESS rulebook in its current version that came into force.

Make sure that your procedures and processes that ensure conformity with the LESS requirements (CS management system) are complete and transparent. You need a manual or another documentation for the auditor.

Define your products groups (if intended) and prepare documents/calculation/data to show which classification these product groups achieve. For the initial verification, prepare historical data to be ready for the data verification. For follow-up verification prepare the data since last verification.

A short written documentation of the determination model is required.

2.2. Perform a self-inspection

Make sure you are prepared for the audit by performing a self-inspection against LESS requirements to ensure that all technical requirements, data, and the documents required for verification are correct and complete. Please document this step since the certification body might proof if you have conducted a self-assessment by checking the documentation. There is no mandatory template, but you can use the checklist that is available for downloads on the LESS website (www.lowemissionsteelstandard.org).

2.3. Check your database and emission factors

As far as possible, primary data shall be used as emission values for the input materials, otherwise emission factors from the annex of the LESS rulebook and the ecoinvent scientific database shall be used. The database version, which is specified in the current version of the LESS rulebook, shall be applied (see Annex of the LESS rulebook). Please make sure that you

have access to the emission factors through the relevant data platform Ecoinvent. Prepare any data that you can use from EU-ETS, ISO 14067 or EPD certification (overlap with LESS requirements), which might reduce your preparation effort.

If the electricity used in production cannot be explicitly identified by measurement equipment (e.g. meter), the electricity of the entire facility must be taken into account in the conservative approach this may then also include consumption for social rooms or similar.

The location-based approach is to be used for the crediting of electricity applying the latest values, even if these are still subject to uncertainties according to EU Member States authority (e.g. in Germany: UBA) information as described in the rulebook. Indirect emissions from purchased grid electricity are to be accounted for on a market-based basis.

2.4. Checklist for the audit procedure

Initial verification: This is a list of the main information you need to prepare for the initial verification audit. The list is not exhaustive, the certification body might require additional information:

- Overview of the determination model and its calculation steps, e.g. Excel-sheet including all calculations steps as explained in the LESS rulebook (incl. emission calculations, adjustment rules, scrap share etc.)
- State the LESS classifications (e.g. B, C, D) according to which you plan to manufacture products until follow-up verification
- Demonstrated in writing and in a mathematically comprehensible manner how the specified classification can be achieved (e.g. use of PPAs, bio char etc.). This is part of the validation of the determination model (see LESS rulebook).
- Description of the emission sources that are subject to the cut-off criterion (incl. calculations/estimations)
- Description of the established product groups and why you created these groups (see LESS rulebook)
- Prepare data from the previous year to demonstrate how you would have been able to reach within the product/product group the designated classification (required for verification). Note: If there are provable not enough data available from the last year, data from previous years may be used in chronological order (maximum 20 datapoints).
- Information on redundant data determination in the context of emissions reporting in EU emissions trading and/or a certified energy management system, e.g. EU-ETS reports
- Documentation and implementation of the correct calculation method for the appropriate use of adjustment rules and allocations
- Documentation and implementation of the correct calculation method for the determination of the scrap share
- Documentation of the input materials used
- Description of the procedure for determining and allocating direct (Scope 1), indirect (Scope 2) and significant emissions in the upstream chain (Scope 3)
- Name the external sources when using default values in accordance with the specifications in the LESS rulebook
- Description of the measurement equipment and the associated quality assurance procedures, if these are required for the determination of Scope 1, Scope 2 or Scope 3 emissions

- ☑ Ensure the availability of PCF certificates (validation or verification) or EPD declaration number, its certificate number and the standard according to which the value was determined.
- ☑ Read the FAQ document for verification against LESS that is available for download on the LESS webpage.
- ☑ Procedures for securing data and information on the creation of classification certificates. Presentation of the future designation of the LESS label and its classification.
- ☑ Ensure that all data of your input material are available that are requested by the LESS rulebook (e.g., upstream, semi-final products like crude steel, slab etc.)
- ☑ For the initial verification, prepare a “draft” version of the label to show the certification body that you apply the requirements of this label correctly.
- ☑ Documentation that your LESS management system is robust and complete

Follow-up verification: This is a list of the main information you need to prepare in addition to the initial verification audit for the follow-up verification. The list is not exhaustive, the certification body might require additional information:

- ☑ Preparation of test report since last verification to ensure the correct application of the LESS label on test report for your clients, see “Requirements for the use of the LESS label”
- ☑ If there have been significant changes to the determination model (see chapter 3), prepare for a re-validation of the determination model (see initial verification)
- ☑ Demonstration of the calculation of the CO₂ emissions per tonne of hot rolled steel for each product/the products that belong to a product group (incl. full model, starting point, system boundaries, emission calculations, adjustment rules etc.) and the scrap share according to the LESS rulebook. This information will be needed for the data sampling (see chapter 3)
- ☑ Prepare the product weight assessment and comparison with the classification warranties produced since the last verification
- ☑ Description of the methods used to determine and allocate specific production volumes as well as Scope 1 and Scope 2 emissions
- ☑ Electricity/fuel/gases proof of origin, Power Purchase Agreements etc. for the product groups (if applied)

3. Step Three: How does the audit process look like?

Your verification includes an on-site audit conducted by your certification body of choice. Your first-time verification against LESS is based on the principles of the initial verification. Subsequent verifications are carried out according to the principle of the follow-up verification. A follow-up verification is required from you at least every 12 months.

3.1. Initial Verification

Figure 2 gives you an overview of the procedure of the initial verification.

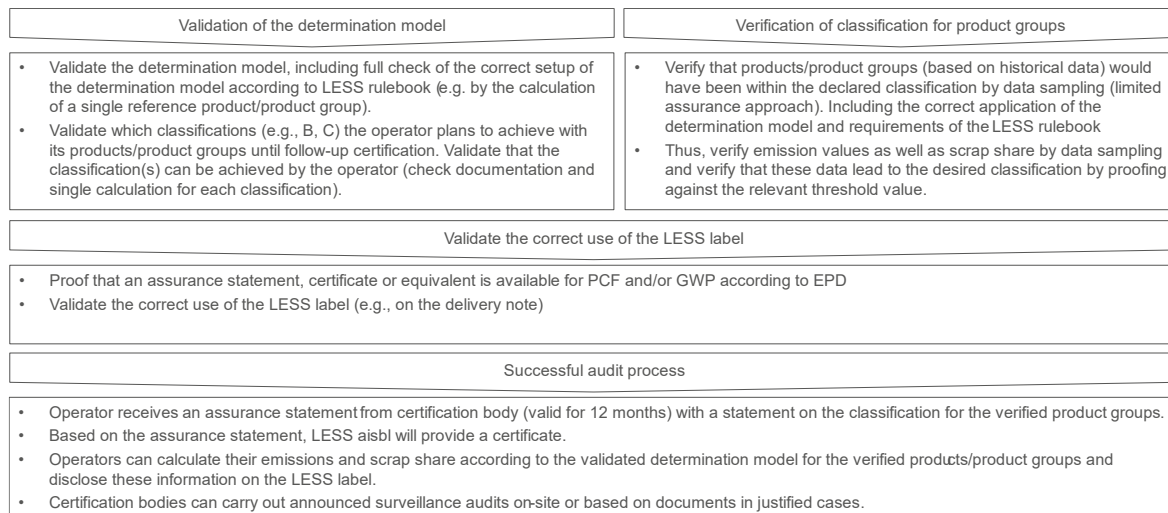


Figure 2: Procedure of the initial verification.

The scope of the initial verification includes:

- **Validate the determination model:** The determination model is validated. This includes a full check that the model has been set up correctly according to the LESS rulebook and can be properly used (e.g. by the calculation of a single reference product/product group). The purpose of validating the determination model is to establish whether the requirements of the LESS rulebook are being correctly and completely depicted within the determination model, and whether the resulting calculations are being performed with sufficient accuracy (materiality threshold: 5%). The certification body validates which classifications (e.g. B, C) you plan to produce until the follow-up verification. The certification body validates that you can achieve the classification(s) (check documentation and single calculation for each classification).
- **Verification of classification for product groups:** Verify that products/product groups (based on historical data) would have been within the declared classification by data sampling (limited assurance approach). Including the correct application of the determination model and requirements of the LESS rulebook. Thus, the certification body verifies emission values as well as scrap share for product/product groups by data sampling and verifies that these data lead to the desired classification by proofing against the relevant threshold value.
- **Validate the correct use of the LESS label:** Certification bodies proof that an assurance statement, certificate or equivalent is available for PCF/GWP. Furthermore, the future correct use of the LESS label (e.g. example on a future test report) is validated.

Note: If you do not have your products/product groups and specific classifications validated and verified against LESS, you cannot receive verification for this classification.

You can find a detailed list of elements that the certification bodies might review during the initial verification audit process in the Annex (chapter 5).

3.2. Follow-up Verification

Figure 3 gives you an overview of the procedure of the follow-up verification.

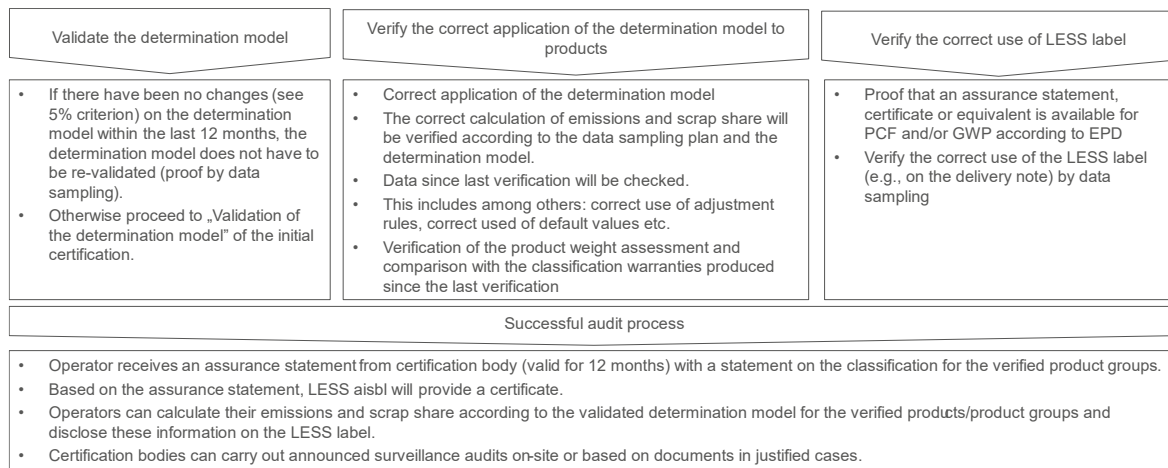


Figure 3: Procedure of the follow-up verification.

The scope of the follow-up verification includes:

- **Validate the determination model:** If there have been no changes on the determination model within the last 12 months (since last verification), the determination model does not have to be re-validated. However, the certification body might carry out some data sampling to validate that no changes have been made. Otherwise, a re-validation of the determination model has to be carried (similar procedure as for the initial verification) out during initial verification has to be done.
- **Verify the correct application of the determination model to products:** The certification body verifies that the operator has correctly calculated the classifications since the last verification by applying limited assurance approach (see chapter 3). Verification of the product weight assessment and comparison with the classification warranties produced since the last verification.
- **Verify the correct use of the LESS label:** Verify that the operator has been using the LESS label correctly by data sampling (e.g. on previous test report). Certification bodies proof that an assurance statement, certificate or equivalent is available for PCF/GWP.

After the verification review has been completed, the certification body is to prepare an audit report and a certificate.

Note: If you do not have your specific classifications validated and verified against LESS, you cannot sell a steel of this classification before the next follow-up verification has taken place.

When does my determination model need to be re-validated during a follow-up verification?

Significant modifications require re-validation of the determination model. If significant modifications of the process technology, the operational resources or the determination model have been carried out, a certification body shall re-validate the determination model prior to its utilization. A re-validation of the determination model usually takes place during the follow-up verification. If the modification does not lead to a deviation in the calculated values of more than 5 % or to a change in the respective classification, the modification does not have to be communicated to the certification body or LESS aisbl. The criteria also apply if there are any changes in emissions or scrap content in upstream products (e.g. purchase of slabs or crude steel). You are responsible for the correct calculation of the 5% criterion. The 5% criterion refers to the emission calculation according to the LESS rulebook. As basis for the calculation of the 5% criterion the data from the last verification shall be applied. The certification body will proof whether you have met the 5% criterion during follow-up verification.

Significant modifications include for example

- Technological changes affecting the determination model
- Procedural changes affecting the determination model
- Changes related to the data source (including measured values rather than default values)
- Changes in classification groups
- Other significant changes

3.3. Some general information to the audit procedure

Site inspection

Once during the audit process, the certification body will carry out a site visit at an appropriate time to gain an overview of your production site, e.g. the completeness of the material flows, emission sources.

Measuring equipment

Measuring equipment does not have explicitly to be tested. To ensure functionality of the measurement equipment, certification body can carry out occasional verification on other certificates, assurance statements or the verifications for emission reports for EU ETS. As long as there are quality assurances (calibration, verification) etc., no further testing is carried out. However, the inspection body does reserve the right to check this on the basis of individual random samples. Furthermore, the certification body can require a proof that relevant measuring equipment has been authorised during an EU-ETS audit that is no longer than 4 years ago.

Acceptance of already certified and verified data

The certification body must accept for LESS verification relevant, certified/verified data from EU-ETS, ISO14067 and EPD that have already been issued by other certification bodies which shall be member of the International Accreditation Forum (IAF). Where the EU-ETS data and the required LESS data overlap, verified EU-ETS data shall be accepted. This is done in order to avoid double work for operators. If an EU-ETS verification report has been submitted by the EU-ETS auditor to the operator and the report confirms the verification of the EU ETS data with non-conformities in writing, EU-ETS data are considered as "verified". A confirmation from the national authority, e.g. DEHSt, is not necessary at this stage.

If, during follow-up verification, verified data from the Emissions Trading System (ETS) or individual emissions data from energy consumption are not yet available, the corresponding verified data from the previous reporting period can be used (latest data from the electricity supplier) for emissions factors only. This is permissible until new verified data become available. An update must be demonstrated once a year. If the operator can credibly demonstrate that the emission factor used have not changed since last verification or have meanwhile been audited by another verification or certification process (EU ETS, PCF or EPD), already verified data, particularly from emissions reporting, can be used until a new emissions report is available.

Data samples⁴ and data proof

As described in the rulebook you can create reasonable product groups. The certification bodies will take data samples within each product group. The verification against LESS follows the limited assurance approach. Operators have to archive (for 5 years) their exact calculation input values (including emission factors) used for every single batch if applied. Auditors may proof data during follow-up verification.

The materiality threshold is set at 5%. Data sets whose cumulative impact on the size to be reviewed is less than 5% are below the materiality threshold and are therefore only checked for plausibility.

3.4. Surveillance audits to ensure the correct use of certificates

To avoid incorrect use of the LESS label and to prevent greenwashing, certification bodies can carry out throughout the year announced (to be notified minimum 3 days before inspection) surveillance audits on-site or based on documents in justified cases based on a risk-assessment. LESS aisbl reserves the right to carry out interannual checks to verify the correct use of the LESS label.

3.5. Special case: Further processing of semi-finished products at a different site or company

If the production of semi-finished products like crude steel, slab production etc. takes place at a production site other than the hot rolling process, the semi-finished product manufacturer must then pass on its verified (initial or follow-up) evidence (e.g. emission value/scrap share of the semi-final product according to LESS) and the downstream processing company shall perform its calculations/audits on this basis (see rulebook Part 2, chapter 6).

4. Step four: What happens after the audit?

4.1. You receive the audit report and assurance statement issued by the certification body

After the audit, you receive the audit report from the certification body. This report contains relevant information regarding the audit, possible non-conformities (compliant, minor non-compliant and major non-compliant), and an assessment of the auditor. You will have the chance to give feedback to the audit report (e.g. report complies with NDA) after you received the report from the certification body. In the positive event, the certification body approves verification and provides a final audit report as well as an assurance statement to you and the LESS aisbl. If there are major non-conformities no assurance statement can be issued, while for minor non-conformities appropriate measures must be taken. How to handle these non-conformities and the consequences of non-conformities can be found in Annex (chapter 5).

4.2. You receive a certificate issued by LESS aisbl

If the audit report contains a positive assessment and the certification body issued an assurance statement, you will receive a certificate from the LESS aisbl.

The certificate includes the following information:

- Certificate issued according to the Low Emission Steel Standard
- Certificate number
- Validity period

⁴ Data samples: A data sample is a subset of data from a larger population/amount of products

- Verified products/product groups and their classification levels (e.g. B and C), respectively
- Name and address of the certification body
- Name and address of LESS aisbl
- Signature of responsible person(s)

The operator must adhere to the specifications defined by the LESS aisbl for using the LESS label (laid down in document “Requirements for the LESS label”).

The assurance statement and the certification will be publicly available on the LESS aisbl webpage.

4.3. You can use the LESS label

From this point on, you are officially allowed to use the LESS label (within the validity period of the certificate) following the specifications laid down in the document “Requirements for the LESS label” that can be found on the LESS webpage.

Remember that the validation or verification of the PCF⁵/GWP⁶ is not part of the LESS audit. Certification bodies only proof that an assurance statement, certificate or equivalent is available for PCF/GWP. Consequently, you - as an operator - are fully responsible for the correct declaration of the PCF or GWP on the LESS label and shall follow the “Requirements for LESS label”.

Note: The PCF or GWP are not calculated according to the rules defined in the LESS rule-book, but rather in accordance with other existing standards (see document “Requirements for LESS label”).

The QR on the LESS label shall lead to the LESS webpage and will be provided by the LESS aisbl.

LESS aisbl will list the operator’s name, the assurance statement, the certificate, and a link to the operator’s webpage on its website. Please make sure to provide LESS aisbl the link / domain to your webpage. Furthermore, you have to inform LESS aisbl within 5 days about any changes related to the domain.

You shall always enter data and information correctly on the LESS label according to your produced product. As part of the annual follow-up certification, the certification body will check whether you have entered the information correctly by data sampling. Incorrect declaration can lead to the certificate being withdrawn.

For marketing, sales, and communication purposes, you shall follow the LESS design toolbox that LESS aisbl provides to you with the certificate.

Products that have been produced and certified according to LESS can remain in inventory for no more than 36 months after this period, the eligibility for classification expires.

4.4. A certificate can be withdrawn

If you do not meet the verification conditions for an existing certificate, the certification body and LESS aisbl will take action. If you receive the information that a certificate is withdrawn, you can no longer use the LESS label from that day onwards.

⁵ PCF: Product Carbon Footprint

⁶ GWP: Global Warming Potential

4.5. Further duties for certificate holders

Reporting of production quantities and their classification

To make general statements about the production of LESS-verified products, LESS aisbl need to know the quantity of produced and certified products within a classification.

Therefore, you should provide quarterly (4 weeks after the end of a quarter) to LESS aisbl the actual quantity of produced and certified products within a classification.

The data will be collected and anonymised processed by a data trustee from LESS aisbl to provide an de-sensitised overview of produced products according to LESS aisbl antitrust law guidelines. LESS aisbl guarantees to treat the data according to the compliance rules.

Requirements on continuous improvement

Throughout the year you should constantly:

- Ensure high data quality and continuous monitoring of emissions calculations
- Maintain and further develop the CS management system
- Record the sold and produced quantities/classifications with LESS label
- Track changes within LESS regulations, adapt them and train your employees

If you do not follow these further duties the LESS aisbl has the right to take further action.

5. Annex

Normative references

- ISO 9001:2015: Quality management systems - Requirements
- ISO 14001:2015: Environmental management systems - Requirements with guidance for use
- ISO 14064-3:2019: Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
- ISO 14065:2020: General principles and requirements for bodies validating and verifying environmental information
- ISO 14067:2018: Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification
- ISO/IEC 17021-1:2015: Conformity assessment - Requirements for bodies providing audit and certification of management systems
- ISO 17029: Conformity assessment - General principles and requirements for validation and verification bodies
- GHG protocol

The elements of the initial certification

- Validation of the determination model for each process route (e.g. BOF, EAF) in accordance with the LESS rulebook
- Validate which classifications (e.g. B, C) the operator plans to produce until follow-up certification. Validate that the classification(s) can be achieved by the operator (check documentation and single calculation for each classification).
- Execution and, if necessary, conformity assessment of the validation of the determination model

- Verification of the continued application of the determination model and the processes and procedures described therein
- Prove that as far as possible, primary data have been used as emission values for the input materials, otherwise emission factors from the ecoinvent scientific database shall be used. The database version, which is specified in the current version of the LESS rulebook, has to be applied (see Annex of the LESS rulebook).
- Ensuring the appropriate use of adjustment and allocation rules and preventing over-compensation.
- The determination of the scrap share needs to be in accordance with the LESS rulebook.
- Verification of a reasonable classification of products within product groups.
- The certification body verifies by data sampling (see chapter 4) that products/product groups (based on historical data) would have been within the declared classification.
- The certification body verifies emission values as well as scrap share by data sampling and verifies that these data lead to the desired classification by proofing against the relevant threshold value.
- Proof if an assurance statement, certificate or equivalent is available for PCF/GWP. This needs to be available prior to the issuing of the assurance statement.
- Validate the correct use of the LESS label (e.g. on the test report, including QR-code), see “Requirements for the use of the LESS label”
- Review of correct application of the determination model
- Execution and verification of starting point and system suitability
- Review of compliance with the participation requirements stipulated in the CS system
- Data management and quality assurance
- Procedure for managing the production balance within the CS management system
- Procedures for handling requests for corrective action from certification bodies within the CS management system

In addition to the elements of the initial verification, a follow-up verification requests the following elements:

- Review of continued and correct application of the determination model and the processes and procedures described therein by data sampling (follow requirements of initial verification) or re-validate the determination model.
- If there are any changes made to the determination model, validate which classifications (e.g. B, C) the operator plans to produce until follow-up certification. Validate that the classification(s) can be achieved by the operator (check documentation and single calculation for each classification).
- Verification of the product weight assessment and comparison with the classification warranties produced since the last certification. A comprehensive mass and energy balance of the total inputs and outputs within the scope of the system must be presented by the operator. The certification body must verify the data. Data that has already been verified according to other verification processes accepted by this standard, most importantly emissions reports within the EU ETS shall be recognised. The total emissions of the mass and energy balance must correspond to the sum of the

emissions of each product category multiplied with the amount produced within the respective time frame (without considering adjustment rules).

- Review of continued validity of the product groups, changes of product groups can be carried out during the follow-up certification
- The certification body verifies by data sampling (see chapter 4) that products/product groups (based on data since last verification) have been within the declared classification. The certification body verifies emission values as well as scrap share by data sampling and verifies that these data lead to the desired classification by proofing against the relevant threshold value.
- Verification of sales and inventory, ensuring that produced material remains in inventory for no more than 36 months; after this period, the eligibility for classification of these produced materials expires.
- Management of correction and improvement requirements (see non-conformities) from the previous certification. If these requirements have not been fulfilled, verification cannot be carried out.
- Verify the correct use of the LESS label (e.g. on the test report, including QR-code) by data sampling, see “Requirements for the use of the LESS label”.

Non-conformities

Should non-conformities to the LESS requirements be identified during the audit activities, these are to be classified according to their severity, either as “minor non-conformities” and “major non-conformities” The non-conformities have to be documented and communicated to the operator in writing. The following non-conformities exist:

“Minor non-conformities”: A rare, isolated, or non-systemic fault with minimal impact on the audit result and the classification of the product/product group. This type of non-conformity does not lead to a fundamental failure in meeting the classification requirements. While certification can still be granted in the presence of these minor issues, they must be fully corrected before the subsequent audit takes place. A series of minor non-conformities will be considered a major non-conformity if there is evidence that the minor issues are:

- Connected: Relating to the same requirement, activity, or type of non-conformity, or
- Frequent: Showing the same problem throughout the site's operations, suggesting a systemic failure or a lack of controls, or
- Ongoing: Due to ineffective corrective measures aimed at addressing the root cause.

“Major non-conformities”: A non-compliance, either by itself or in conjunction with other non-compliances, that causes or is likely to cause a critical failure in in meeting the classification requirements. This can include issues that persist over time, are widespread, or affect large portions of the products/product groups. If major non-compliances have been identified during the audit process relevant products/product groups are ineligible for certification. Critical failures may be identified through various types of non-conformities, including the following:

- Persistence: Non-conformities that last for an extended period, indicating systemic issues rooted in similar underlying causes.
- Repetitiveness: Non-conformities that have been previously identified and seemingly resolved, but reappear over time.
- Widespread Impact: Failures that affect a broad range of the products/product groups, which can compromise the integrity of LESS.

- Inadequate Resolution: Issues that are not sufficiently addressed by the operator within the specified timeframes for corrections and corrective actions, highlighting the severity of the situation.

For all identified non-conformities, whether major or minor, the client is required to carry out corrective actions to address them. These actions must be verified by the certification body before certification can be issued. In the case of major non-conformities, the underlying causes must be rectified before the certification can be approved.

To differentiate between a minor and major non-conformity, it's important to assess whether the occurrences are isolated or interconnected, indicating potential common root causes due to weaknesses in the management systems.

The following responsibilities result from non-conformities:

“Minor non-conformities”

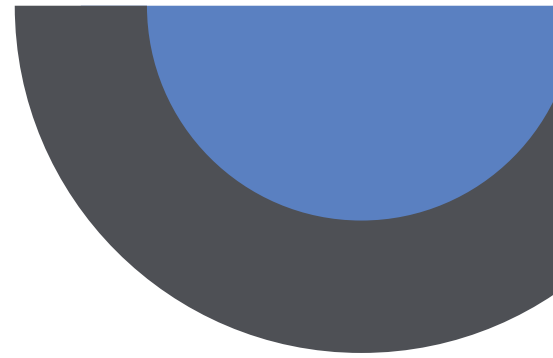
- Operators with only minor non-conformities shall be eligible for receiving a positive audit statement and a certificate.
- Operators with minor non-conformities shall submit a root cause analysis and action plans to the certification body (within one month). The implementation of these plans shall be verified in the follow-up certification, while the certification body can conduct monitoring activities (e.g. surveillance audits) on an ongoing level.

“Major non-conformities”

- If major non-conformities are found during initial certification, the operator shall not receive a positive audit statement neither a certificate
- The operator is not eligible for certification if risks that lead to major non-conformities (see above) are found in the follow-up certification. Consequently, certificates shall be immediately suspended.
- If major non conformities are found, the operator shall have one month time to implement corrections/corrective actions and present them to the certification body. The certification body has to prove the action plan. Three months after the approval of the action plan, the certification body shall prove in a special audit if the cluster has reduced the major non-conformities to minor non-conformities or conformities.
- If an operator receives in the special audit the same major non-conformities as before, the audit process is aborted. LESS aisbl shall be informed.

5.1. Terms and abbreviations

The same definition of terms and abbreviations apply to this guidelines as specified in the rulebook in its most recent version that came into force.



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