

ASI Standards Committee – Minutes – Teleconference

Date: 15 June 2016 (2 hours)

Antitrust Statement:

Attendees are kindly reminded that the ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an Antitrust Policy, compliance with which is a condition of continued ASI participation. Failure to abide by these laws can potentially have extremely serious consequences for the ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals. You are therefore asked to have due regard to this Policy today and indeed in respect of all other ASI activity.

Participants:

Committee Members: Jostein Soreide (Norsk Hydro), Catherine Athenes (Constellium), Rosa Garcia Pineiro (Alcoa), Bjoern Kulmann (Ball), Josef Schoen (Audi), Christophe Boussemart (Nespresso), Stefan Rohrmus (Schueco), Stephanie Boulous (Coca-Cola Enterprises), Deviah Aiama (IUCN), Bernhard Bauske (WWF), Tom Maddox (Fauna and Flora International), Annemarie Goedmakers (Chimbo Foundation), Robeliza Halip (Asia Indigenous Peoples Pact – interim representative of Indigenous Peoples Forum).

ASI Secretariat: Sam Brumale (Chair), Fiona Solomon

Apologies: Karl Barth (BMW), John Reves (Rexam), Roland Dubois (Rio Tinto Aluminium), Marie-Josee Artist (VIDS - Association of Village Leaders, Suriname – interim representative of Indigenous Peoples Advisory Forum), Justin Furness (Council for Aluminium in Building), Jean-Pierre Mean (Transparency International).

Invited: None

Documents circulated:

1. Meeting Agenda
2. Minutes of previous meeting v2
3. Draft Standards Committee Work Plan v1
4. ASI Normative Documents relationship diagram and current development status.
5. Draft Chain of Custody Standard Public Consultation Terms of References (v1)
6. Working Group Terms of Reference (draft v2) covering:
 - o Benchmarking and Harmonisation Working Group
 - o Mining, Biodiversity and Environmental Impacts Working Group
 - o Greenhouse Gas Working Group
 - o Material Stewardship and Recycling Working Group
7. Draft Auditor Accreditation Procedure v1

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Resolution to publish all approved Standards Committee Meeting Minutes on the ASI website.
3. Table and review draft Standards Committee 2016/2017 Work Plan including proposed meeting dates.
4. Adopt the Chain of Custody Standard Public Summary and Consultation Plan for release on ASI website and ASI Newsletter.

5. Present the current status of the Working Group Terms of Reference (Benchmarking and Harmonisation, Mining, Biodiversity and Environmental Impacts, Greenhouse Gas, & Material Stewardship and Recycling).
6. Table the first draft of the Auditor Accreditation Procedure (v1).

Items discussed:

1. Preliminaries

- a. Meeting objectives and meeting process were noted as per the agenda.
- b. Attendance and apologies.
- c. It was **RESOLVED** to accept the minutes of the previous meeting on 27-29 April 2016 in Ingolstadt.
- d. It was **RESOLVED** to publish all Standard Committee Meeting Minutes on the ASI website, once approved by the Committee at the following meeting. **ACTION:** Secretariat to add a note on this resolution to the ASI website and publish the meeting minutes for the previous meeting.
- e. A Log of actions from the Standards Committee meetings was tabled and proposed to capture and review status of all actions generated during the meetings. The previous actions were reviewed, noting that many were completed prior to this meeting or included in the agenda for this meeting.

2. Standards Committee 2016 /2017 Work Plan and Meeting Dates

- a. The draft 2016/2017 Work Plan for Standards Committee was tabled and discussed. The Work Plan covered:

- ASI Standards Work Program including the development of the Chain of Custody Standard, Performance Standard review including Indicators Document, Standards guidance and the pilot program.
- Development of the supporting Normative Documents: the Assurance Manual (including components from the draft Indicators Document developed under the IUCN Standards Setting Group in 2015), the Claims Guide, the Monitoring and Evaluation Plan and the Assurance Platform (including components from the draft Indicators Document).

Discussion noted the interdependencies of activities, such as Working Group outcomes informing the development of the CoC Standards and the related Standards Guidance. Timing of these interdependencies will be refined once the Working Group detailed work plans are developed. The schedule allowed for work in progress to be tracked and reported at the Standards Committee meetings, with the Work Plan able to be updated as required.

Discussion noted a desire for greater clarity on how the draft Indicators Document will inform the development of the Performance Standards Guidance as well as the Assurance Platform. **Action:** Work Plan will be revised to clearly indicate where the draft Indicators Document feeds into the ASI work program.

- b. The 2016/2017 Standards Committee Meeting Dates (Teleconference and in person) were tabled. Meetings have been arranged based on the current Board approved budget. Additional meetings may be required during the ongoing development of the CoC Standards Guidance particularly in the lead up to the public consultation periods. The following table lists the proposed meeting dates:

- 2 August 2016 (Teleconference)
- 14 September 2016 (Teleconference)
- 25 October 2016 (Teleconference)
- 6 December 2016 (Teleconference)
- 7 February 2017 (Teleconference)
- 21 March 2017 (Teleconference)

- 1 – 3 May 2017 (In-person) – exact date to be confirmed pending the timing of the ASI 2017 AGM
 - 13 June 2017 (Teleconference)
 - 1 August 2017 (Teleconference)
 - 12 September 2017 (Teleconference)
 - 24 October 2017 (Teleconference)
 - 5 December 2017 (Teleconference)
- c. A summary document with an illustrative diagram outlining how the ASI normative documents inter-relate as well as the current development status was noted and discussed. The summary was developed at the request of the Indigenous Peoples Advisory Forum (IPAF).
There was discussion regarding where the draft Indicators Document will inform the ASI Normative Documents. It was noted that some components contained in the draft were relevant to the Performance Standards Guidance whereas other components would inform the development of the assurance platform, an approach used on other standards and certification schemes.

3. Chain of Custody Standard – Next Steps

- a. A more detailed outline of the tasks required to further develop the ASI Chain of Custody Standard was presented. A summary of the work completed to date was noted, acknowledging the public comment period for draft 1 (held during July to September 2014) as well as the posting of draft 2 on the ASI website since early 2015. The need for a revised draft reflected the discussions held at the previous Standards Committee Meeting (27 – 29 April 2016), including the open decision on the three sourcing related options currently in draft 2 and further discussion on available forms of scrap and recyclables. The requirement to broaden the stakeholder input to include the Indigenous Peoples Advisory Forum as well as feedback from small to medium recyclers was also noted. The Committee acknowledged the amount of work required to achieve the current CoC Standard go-live date of December 2017. **ACTION:** The Standards Committee Work Plan will be revised to provide more detail, including additional time to develop and agree the revised CoC drafts ahead of the scheduled public consultation periods. The ASI Secretariat is working on a proposed draft 3 and will provide this as well as a first draft of the accompanying standards guidance document by end of July 2016.
- b. The Chain of Custody Standard Public Summary and Consultation Plan was tabled and discussed. The Plan outlines the terms of reference for the two public consultation periods to facilitate the ongoing development of the CoC Standard. The Plan itself would also be available for a 60 day public consultation period as per the ASI Standards Setting Procedure, which aligns with the ISEAL Code of Good Practice for standards setting. As per the ASI Standards Setting Procedure, it was noted that all comments received would be tabled and reviewed by the Standards Committee, with general consensus on how comments are considered or incorporated into the subsequent draft of the CoC Standard. It was noted that comments can range from being relatively straightforward, such as editorial to comments that require significant discussion due to divergent views, or a substantive change to the scope. It was **RESOLVED** to adopt and publish the CoC Standard Public Summary and Consultation Plan subject to the following amendments:
- Revise the public consultation dates on the front page to reflect the revised CoC Standards Work Plan, also noting that the dates may be subject to change
 - Expansion of the point relating to how all comments received about the draft CoC Standards during each public consultation period will be captured, responded to and summarised on the ASI website.

ACTION: Secretariat to publish the revised plan on the ASI website, and announce it in the ASI Newsletter(s) which is sent to approximately 1000 current subscribers to the ASI mailing list.

4. Working Groups

a. The current scope and objectives (version 2) for each of the Working Groups were tabled as follows:

- **Standards Benchmarking and Harmonisation Working Group:**

The scope of the Standards Benchmarking and Harmonisation Working Group was tabled. It covers the benchmarking and potential harmonisation of ASI Standards (Performance Standard and the Chain of Custody Standard) to other relevant and externally recognised standards and certification initiatives. The objectives will initially target the identification of external certification systems with common requirements to improve the efficiency associated with the implementation and audit of ASI Standards (a survey of members on this topic was included in the June ASI Members Update). A further objective is informing the development of Standards Guidance documentation and the Assurance Manual such that there is support for overall performance improvement in the aluminium value chain as well as the value proposition that ASI certification brings in relation to cross recognition.

The use of existing benchmarking tools (e.g. StandardsMap, and the ISEAL website on Comparing Standards) was also noted, as was the importance of having specialised skills in the Working Group. This may include representatives from other relevant standards schemes. Currently the Working Group has representatives from the ASI Members Schueco, IUCN and the Council for Aluminium in Building.

- **Greenhouse Gases Working Group:**

The scope of the Greenhouse Gases Working Group was tabled. The scope includes reviewing the Implications of the COP21 Agreement (including a 1.5 degree and a 2 degree GHG emissions trajectory) for the aluminium sector, identifications of initiatives for the aluminium value chain and the development of guidance material to support criteria in Performance Standard Principle 5. Specific tasks include the following:

- Identify initiatives to curb GHG emissions from the aluminium value chain with particular focus on the smelting activities (which constitutes up to 80% of scope 1 and scope 2 emissions from the aluminium value chain).
- Identify potential benefits and opportunities that aluminium products offer in a carbon constrained world, including displacing other carbon intensive products, for example used in the building and construction industry, electric car manufacture, renewable energy, etc.

Interests from potential participants have been received as a result of the information posted in the June ASI Members Update. Currently the Working Group has representatives from ASI Members WWF, Norsk Hydro, Rio Tinto Aluminium and Rusal.

- **Mining, Biodiversity and Environmental Impacts Working Group:**

The scope of the Mining, Biodiversity and Environmental Impacts Working Group was tabled. The scope targets the mining, refining and associated infrastructure parts of the value chain. Specific objectives include development of guidance to support Performance Standard - Environment Principles 6, 7 and 8 as it relates to bauxite mining risks and impacts. Regarding associated infrastructure, this includes the need to further explore what can be managed and what environmental impacts need to be minimised, which will inform the certification scope and audit scope sections in the Assurance Manual. A desire to include ecological services as part of the scope was noted. Currently the Working Group has representatives from ASI Members WWF,

IUCN, Forest Peoples Programme, Alcoa, Flora and Fauna International, Norsk Hydro and the Chimbo Foundation. **ACTION:** A follow-up teleconference with the group will be organised to occur before the end of the month, as not all participants were able to participate in the first discussion.

- **Material Stewardship and Recycling Working Group:**

The scope of the Material Stewardship and Recycling Working Group was tabled. The scope covers management of aluminium recycling and stewardship of recyclables in the supply chain. Key objectives include development of guidance materials for the Standards Guidance as well as to:

- Define how recyclables will be treated as inputs in the value chain, to be defined in the Chain of Custody Standard.
- Provide guidance and direction to assist integration of SME recyclers and shredders/dismantlers.
- Identification of good industry practice for collection, segregation and recycling initiatives (current baseline information and outreach to relevant civil society organisations and industry associations).
- Considerations of benefits vs. impacts associated with types of recyclable materials (e.g. rigid vs. flexible)
- Address the concept of and establish a formal position on 'recycled content'.

There was discussion on the importance of having representation both from industry and non-industry participants from North America (US and Canada) as these regions introduce different types of risks and perspectives from those in Europe. Alcoa nominated interest in participating in the Working Group with the remaining participants from ASI Members Ball/Rexam, Constellium, Norsk Hydro and Novellis. Interest has also been received from EMPA (Swiss Federal Laboratories for Materials Science and Technology), AsYouSow and German Aluminium Industry Association (GDA) / European Aluminium Association (EAA).

b. The next steps for all Working Groups (WG) were discussed and include:

- End of June 2016 – Finalise WG Terms of Reference (TOR) and identify potential participants from broader Members and invited external groups.
- End of July 2016 – Formally engage WG (initial) participants and establish a work plan to meet objectives. Work plan to include detailed milestones and progress reporting to standards committee. This will be used to revise the 2016/2017 Standards Committee Work Plan detailed in Item 2a of these minutes.
- Early August 2016 – Standards Committee to review and approve WG TOR and work plan
- August / September 2016 – Commence WG activities

5. Draft ASI Auditor Accreditation Procedure

a. The draft ASI Auditor Accreditation Procedure was tabled. The key features were presented, which included the alignment of the proposed model with the ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards. The Procedure described the reliance on conformity assessment bodies and auditors that:

- Are impartial, and independent third parties to ASI and its Members
- Cannot be involved in ASI standards setting processes
- Cannot be involved in ASI's or ASI Member's governance processes
- Fulfil the requirements of ISO/IEC 17021 for management system certification schemes, ISO/IEC 17065 for product certification systems or a technical equivalent standard for independent certification auditing
- Are credible and meet specific competency requirements.

The procedure describes the requirements, documentary evidence, fees, training and scope associated with the ASI Accreditation, which will be valid for 5 years. Steps to be carried out to finalise the procedure include:

- defining individual auditor competencies (skills matrix) for each Member class and key operations (i.e. mining, refining, smelting, etc)
- developing the application form and
- inviting potential audit firms to apply.

6. Assurance Manual Update

- a. Overview of comments received on version 2 of the Assessment Manual was tabled. Key themes include:
 - Defining what is meant by 'Area of Influence' for associated infrastructure
 - Provision of examples for the range of Certification Scope (business, facility, product level)
 - Expansion of the Maturity Model and how it will be implemented for self assessment and the independent audits, as well as how the maturity levels relate to the level of risks characterised by Member location, activities, controls and position in the value chain.
 - Expanding the links between assurance and permissible claims (by Standard)
 - Examples of minor vs. major non-conformance
 - Whether a cap on the number of major non-conformances is required
 - Concept of Provisional Certification / Transition Status (Performance Standard vs. CoC and ability to make claims)
 - Estimate of audit time
 - Information collected by ASI and accessibility
 - Requirements for public reporting of audit results (define the phased approach). Also tabled were examples of audit reports made public for other certification schemes were tabled.

A revised version of the Assurance Manual (version 3) will be prepared for the September meeting. Comments on the existing draft (version 2) still welcome.

7. AOB

- a. There was no other business raised.

8. Next teleconference

- a. Wednesday 2 August 2016 (calendar invites to be circulated for this and all future meetings).
- b. Focus for the next meeting includes:
 - Chain of Custody Standard and related work plan
 - Anti-trust overview.