

ASI Standards Committee – Minutes

Date: Wednesday April 27 – Friday April 29, 2016

Participants: Thomas Knutzen (Norsk Hydro – Alternate for Jostein Soreide), Catherine Athenes (Constellium), John Reves (Rexam – Day 1 and 2), Roland Dubois (Rio Tinto Aluminium – Day 1 and 2), Rosa Garcia Pineiro (Alcoa), Bjoern Kulmann (Ball), Josef Schoen (Audi), Christophe Boussebart (Nespresso), Stefan Rohrmus (Schueco), Clarisse Bellod (BMW – Alternate for Karl Barth), Stephanie Boulous (Coca-Cola Enterprises), Justin Furness (Council for Aluminium in Building – Day 1), Deviah Aiana (IUCN), Bernhard Bauske (WWF), Jean-Pierre Mean (Transparency International – Day 2 and 3), Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname – interim representative of Indigenous Peoples Advisory Forum), Tom Maddox (Fauna and Flora International – Alternate for Pippa Howard), Annemarie Goedmakers (Chimbo Foundation – Day 1 and half of Day 2), Helen Tugendhat (Forest Peoples Programme – Alternate for Robeliza Halip).

Apologies: Karl Barth (BMW), Pippa Howard (Fauna and Flora International), Jostein Soreide (Norsk Hydro), Robeliza Halip (Asia Indigenous Peoples Pact – interim representative of Indigenous Peoples Advisory Forum).

ASI Secretariat: Fiona Solomon, Sam Brumale.

Anti-Trust 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.

Documents circulated:

- Working Groups – Terms of Reference format – draft 1
- ASI Standards Setting Procedure – draft 1
- ASI Assurance Manual – draft 2
- ASI Claims Guide – draft 1

Meeting objectives:

1. Review Standards Committee governance, objectives and timelines
2. Resolve to adopt Standards Setting Procedure
3. Resolve to adopt Working Group Terms of Reference template and establish Working Groups
4. Discuss ASI Assurance Manual and overall model
5. Discuss ASI Claims Guide and general Chain of Custody approach/issues

Items for discussion:

1. Welcome and overview

- a. Roundtable introductions.
 - i. John Reves noted that he will leave Rexam at the end of June. He will participate in the Standards Committee until that point, then the seat (Production and Transformation membership class) will be filled by a casual vacancy process.
- b. Thomas Knutzen, Clarisse Bellod, Tom Maddox and Helen Tugendhat attended as alternates for (respectively) Jostein Soreide, Karl Barth, Pippa Howard and Robeliza Halip who were apologies. No proxies were received.
- c. It was noted that IUCN had previously co-ordinated an ASI Standards Setting Group (SSG), drawn from companies, civil society organisations and other experts. This group developed the ASI Performance Standard (published in December 2014) and had undertaken initial work on draft 1 of the document 'Part II: Indicators, Means of Verification and Initial Guidance Notes' (August 2015) that will feed into the development of the ASI assurance model (including the assurance platform, the monitoring and evaluation plan and standards guidance). **Action:** A copy of this document will be shared with the Standards Committee. The important work of this group was acknowledged. It was noted that the new Standards Committee currently had 9 people who had directly participated in the SSG, and 10 people who were new participants.
- d. It was noted that a meeting to establish the ASI Indigenous Peoples Advisory Forum (IPAF) had been held in Kuantan, Malaysia, on 16-18 April. As well as discussing terms of reference for the IPAF, the group identified a range of areas that the IPAF can contribute to in ASI standards, assurance and oversight, including:

Assurance model / Assurance Manual

Auditors to consult in advance with affected indigenous peoples on:

- Audit plan for consultation with key stakeholders
- Input into assessment of compliance with relevant provisions
- Draft findings re relevant provisions before report finalisation

Auditor accreditation

IPAF input on:

- Competency requirements for auditors re indigenous peoples issues
- Training for accredited auditors
- Identify experts on indigenous peoples issues for potential involvement in audit teams

Standards guidance

IPAF input on guidance documents and training for:

- FPIC
- Other relevant provisions as identified

Complaints mechanism

IPAF input to continue to improve the mechanism, drawing on:

- Experiences in other complaints mechanisms
- Expanding detail on procedures for IPs-related complaints
- "What-if" scenarios

Oversight procedures

IPAF involvement in oversight procedures for:

- Auditor accreditation, including for example witness audits
- Annual reviews of impartiality of certification decision-making
- Annual reviews of complaints mechanism

- e. Meeting objectives were noted as per the agenda. Procedures:
- i. Chatham House Rules: it was **RESOLVED** to conduct Standards Committee meetings according to these principles. *The Chatham House rules are that information disclosed during a meeting may be reported by those present, but the source of that information may not implicitly or explicitly be identified.*
 - ii. The publication of Standards Committee minutes on the ASI website was proposed by the ASI Secretariat. **ACTION:** It was agreed that the Committee would make a decision on this after the first set of minutes had been reviewed.

2. Standards Committee governance, objectives and timelines

- a. The Standards Committee terms of reference are included in the ASI Governance Handbook.
- b. Standards Committee Co-Chairs will be elected by the Committee once the Indigenous Peoples Advisory Forum representatives are confirmed. One Co-Chair will represent aluminium supply chain interests and one will represent civil society and indigenous peoples' interests. If the number of nominations for Co-Chair exceed the number of vacancies, an election will be convened by e-poll.
- c. The key normative documents to be developed during 2016-17 are:
 - i. Assurance Manual
 - ii. Claims Guide
 - iii. Chain of Custody (CoC) Standard
 - iv. Standards Guidance – Performance Standard and Chain of Custody (CoC)
 - v. Monitoring and Evaluation Plan
 - vi. Auditor Accreditation
 - vii. Audit protocol/assurance platform

It was noted that these are all inter-related documents and that a pilot stage will inform their finalisation. **ACTION:** A more detailed work plan is under development by the ASI Secretariat. It was suggested to include a diagram or similar to further explain the connections between these various documents.

- d. The next teleconference will take place in June (date tbc) and a schedule for the rest of the year will be set. Calendar invites will be circulated. There was interest in an additional face-to-face meeting of the Committee (for example in October), but this could not be confirmed by the ASI Secretariat due to budget restrictions in 2016. There is an option to investigate telepresence facilities from some of the member companies which may be more cost-effective. **ACTION:** Calendar invites for 2016 Standards Committee meetings will be circulated.
- e. The ISEAL Codes of Good Practice were introduced. ASI aims to become a full member of ISEAL, and must demonstrate conformance with the 3 Codes – Standards Setting, Impacts and Assurance.
- f. The draft ASI Standards Setting Procedure was tabled. It was **RESOLVED** to adopt and publish this procedure with the following amendments:
 - i. Define the ASI Standards as the Performance Standard and Chain of Custody Standard.
 - ii. Clarify that the ASI Standards Committee is one of the 'stakeholders' that can propose a new standard or standard revision.
 - iii. The stakeholder plan should identify the need for any translations.

- iv. A proposed timing for the standard development / revision should be developed, and a guide for minimum (6-8 months for minor revisions of existing standards) and maximum (approx. 2 years for new standards or major revisions) timeframes be included in the procedure.
- v. A template for receiving comments and a register for how comments are addressed should be developed.
- vi. That Working Groups be established with terms of reference in accordance with the agreed template for establishing Working Groups, and approved by the Standards Committee. Working groups should have both industry and non-industry members represented as relevant to the issue.
- vii. Clarify that the launch of a consultation be advised to the ASI mailing list, with reminders and updates via the ASI newsletter.
- viii. That the ASI document register be updated following the conclusion of the ASI standard development/revision.

3. Working Groups

- a. Working Groups Terms of Reference template
 - i. It was noted that Working Groups can play the following roles: provide opportunity for participation by other members not serving on the Standards Committee; allow the Standards Committee to delegate specific or technical areas for deeper discussion / investigation; bring in relevant expertise (from members and invited expertise) to the discussion / investigation of this topic; bring back information, options or proposals to the Standards Committee for decision on next steps.
 - ii. Desirable principles for the Working Groups were noted to be: direct connection to current or future Standards Committee work programs, inclusiveness, diversity, first opportunity for participation to members and IPAF, relevant expertise, groups should not be too large, not decision-making groups in their own right.
 - iii. Co-Chairs: at least one should be a member of the Standards Committee. The role of the Co-Chairs is to keep the focus on the defined scope and objectives for the group, and to report back to the Standards Committee on progress and outcomes.
 - iv. It was **RESOLVED** to adopt the draft Working Group template subject to minor amendments reflecting the above discussion. **ACTION:** Update the Governance Handbook section on Working Groups based on updated Working Group template.
- b. A brief overview of the technical nature of existing standards, certifications, credits and claims in the building and construction sector was presented. It was noted that while many schemes are focused on calculating “points” that a certified product may bring to a construction/build, the longer term focus should be/will become on managing the supply chain of that material.
 - i. It was **RESOLVED** to establish a Working Group on Harmonisation. This could review and/or engage with a range of relevant schemes, including LEED, BREEAM, EN15978, ISO/DIS 6707-3, other ISO management system standards, EICC, Steel Stewardship Forum, IRMA, etc.
 - ii. Stefan and Dev volunteered to be the initial leads to work with the ASI Secretariat on a draft terms of reference using the agreed Working Group template.
- c. The potential to establish a Working Group on Assurance was discussed. It was agreed that this is a relevant work program, but that the Standards Committee would continue the work in plenary for now until more specific topics are identified for

delegation to a Working Group/s. Further work on the Assurance Manual will identify areas where other expertise would be useful.

- d. The potential to establish a Working Group on Recycling/Material Stewardship was discussed. Two aspects were noted as relevant to the current work program of the Standards Committee: how to enhance recycling and stewardship specifically through supporting implementation of the Performance Standard (e.g. through development of Standards Guidance); and, in the Chain of Custody standard, how recyclables will be treated as inputs under the standard. Longer term, there is scope to consider beyond the certification program, but the priority in the next 2 years is the development of the normative documents.
 - i. It was **RESOLVED** to establish a Working Group on Recycling/Material Stewardship. Input from As You Sow will be considered in the framing of the terms of reference.
 - ii. John volunteered to be the initial lead to work with the ASI Secretariat on a draft terms of reference using the agreed Working Group template.
 - iii. On the second day, John presented a first draft TOR to the Committee, with objectives to develop standards guidance for criteria 4.3, 4.4, 4.5 and 4.6 in the Performance Standard; and more generally to look at how to integrate SME recyclers and the informal economy of collection and recycling with ASI's work. It was noted that these latter aspects are also relevant to the CoC Standard. The short-term focus is intended to be on guidance and information for ASI Standards, but longer term ASI could explore model projects, exchange among members, capacity building etc.
- e. The potential to establish a Working Group on Greenhouse Gas was discussed, to address the commitment in the Performance Standard to review a 2 degree (and now perhaps 1.5 degree GHG emissions trajectory would look like for the aluminium sector).
 - i. It was **RESOLVED** to establish a Working Group on Greenhouse Gas.
 - ii. Jostein, Roland and Bernhard volunteered to be the initial leads to work with the ASI Secretariat on a draft terms of reference using the agreed Working Group template.
- f. The potential to establish a working group on mining and topics such as biodiversity, water risk, waste management, impact assessment and ecosystem services was discussed. It was noted that there are some gaps in the Performance Standard on biodiversity compared to other standards. The focus was proposed to be on: standards guidance and definitions (e.g. defining 'protected area'); and, gap analysis for a future revision. It was noted that the 'indicators' draft developed under IUCN can contribute to this. It was later noted that discussions around 'area of influence' and certification scope could be tied into this Working Group.
 - i. It was **RESOLVED** to establish a Working Group on Mining, Biodiversity and Environmental Impacts.
 - ii. Tom, Rosa, Bernhard, Helen and Dev volunteered to be the initial leads to work with the ASI Secretariat on a draft terms of reference using the agreed Working Group template.
- g. **ACTION:** Draft Terms of Reference for each Working Group will be tabled with the Standards Committee at an upcoming teleconference.
- h. There was interest in sharing specific risks inherent to transformation related operations. Information about these risks to be discussed at a future Committee meeting.

4. Overview of Assurance

- a. Key elements of the draft Assurance manual were presented. Points raised included:

- i. More clarity needed on 'area of influence' of a facility in definitions and approach to certification scope. Definitions and clarification to draw on work carried out by former Standards Setting Group (SSG) for these matters and the draft 'indicators' document.
 - ii. How certification would work if a member had less than 50% of a joint venture, or was operating through a tolling arrangement.
 - iii. That ASI should be informed of when an audit is scheduled.
 - iv. That while many companies would be aiming to have their whole business certified over time, there may be limitations e.g. smelter emissions limits, the market demand for certification, the cost of certification vs the benefit, and the value of taking a project by project / facility by facility approach.
 - v. Definitions of Major and Minor Non-Conformances were tabled, and further feedback invited.
 - vi. Definition of Applicable Law, proposed in Assurance Manual, also needs to be in the Performance Standard. It was noted that 'conflict with law' relates to where the applicable law prevents doing something. If a company goes beyond the law, they are still complying with the law. Examples noted of potential conflicts included, drug and alcohol testing not allowed in some countries though designed to uphold health and safety at work, freedom of association not allowed in some countries, restrictions on whistleblowing, land rights for indigenous peoples and legal restrictions on FPIC applicability/recognition. It was noted these should be addressed in the Standards Guidance.
 - vii. **ACTION:** Standards Committee members to provide further written feedback on current draft of the Assurance Manual by May 31.
 - viii. **ACTION:** ASI Secretariat to incorporate points from meeting and any further written feedback received into Draft 3 of the Manual.
- b. The concept of 'Provisional Certification' was discussed. It was noted that usually certification programs do not permit Major Non-Conformances, but that as ongoing ASI membership was tied to meeting a minimum certification requirement, and the aim was to encourage and incentivise continual improvement and corrective action, a 'provisional' status or similar was valuable.
- i. It was agreed this approach was acceptable in principle, though it was recommended to use different terminology e.g. 'In Transition' or similar, to avoid confusion with 'full certification'. The correct terminology and claims associated with this 'In Transition' status required further work especially if it involved certified products.
 - ii. This would also need to be clearly addressed in the Claims Guide, both for general claims re membership/certification, but also for interaction with the CoC Standard.
 - iii. In some situations, there may be an element of 'redressing impact or harm' not just fixing the system/procedure. This should be noted in the Assurance Manual re corrective action plans (e.g. Table 14, section 6.4).
- c. The concept of 'Critical Breaches', which would result in no/suspension/loss of certification and possible loss of membership, was discussed. These could be addressed through identifying specific criteria where (major) non-conformances would not be permitted; or alternatively through types of activities or impacts that were unacceptable.
- i. In the latter approach, the following were suggested e.g. gross human violations, major and wilful disregard of the law, involvement in major accidents due to lack of any controls, supporting illegal armed groups,

involvement in illegal mining, child and forced labour, fraudulent representation of FPIC, major impact on protected areas, evidence of corruption/bribery, major non-conformances relating to the 'hotspot' issues in the standard.

- ii. Ideally it would be a short list, suggestion to have 4-5 'unacceptable' issues, at least initially and that these should be special cases of major non-conformance findings. Further discussion will be convened on this.
- d. Public reporting of audit results were discussed. Some participants were strongly in favour of transparency, with public reporting of (high level description) of non-conformances and criteria audited in a Summary Report; other participants were concerned that non-conformance information may compare unfavourably to facilities that were not audited and had no information on performance in the public domain, and that this should therefore be omitted from the Summary Report. A compromise was suggested of not reporting non-conformance information for the first audit, so as not to be an unintended barrier to certification for some companies through 'fear of exposure'.
 - i. It was noted that some companies may choose to publish their audit reports or selected information independently of ASI.
 - ii. It was noted that publishing information will enable progress from audit to audit to be seen, providing evidence of ASI's impact.
 - iii. It was noted that publishing non-conformance information was seen as good practice under ISEAL, though is not required.
 - iv. **ACTION:** It was agreed the ASI Secretariat would circulate examples of public summary reports from other schemes (such as the Roundtable on Sustainable Biomaterials) for further discussion.

5. Tour of the Audi die-casting facility

6. Risk / maturity model for assurance

- a. A draft risk-based approach to assurance was presented, based on 3 variables: Risk Maturity, Systems Maturity and Performance Maturity (see slides).
 - i. Participants were supportive of this approach and looked forward to more detail as it was developed including examples to illustrate the features and application.

7. Auditor Accreditation and audit protocols

- a. Auditor Accreditation models were discussed. Points noted included:
 - i. Witness audits are often part of oversight of auditor accreditation, and usually involve independent expert reviewers, and sometimes academics and/or stakeholders. They do not usually involve peers e.g. other accredited audit firms or other clients of the scheme (i.e. ASI members).
 - ii. It is proposed to set a small application fee for auditor accreditation, to ensure serious applications and to cover some costs for process, but it is not intended to be a revenue stream.
 - iii. There was support for the model of ASI initially undertaking accreditation itself, according to ISEAL requirements and relevant ISO standards for accreditation and competence of conformity assessment bodies and their auditors such as ISO 17021 / ISO 17065 and ISO 19011, respectively.
 - iv. **ACTION:** The ASI Secretariat will also investigate ASI potentially becoming a member of the International Accreditation Forum (IAF).
- b. Audit protocols / assurance platform
 - i. ASI aims to develop an IT platform for managing the assurance/certification process, and to support collection and aggregation of relevant data for impacts.

- ii. There are a range of approaches possible, including in-house development, off-the-shelf packages, and partnering with a platform provider. The Standards Committee will determine the need for a Working Group that focuses on the content/approach and options regarding the assurance platform noting that the decision as to IT development will be a budget decision made by the Board.

8. Claims Guide

- a. A draft 1 Claims Guide was tabled for discussion. Participants noted:
 - i. Useful to add additional statements for membership (pre-certification) – what it means to be working towards certification, timeframe etc.
 - ii. Membership ‘claims’ should note member class and have a link to the website (either the general member page or the specific member’s page)
 - iii. Since now exploring Provisional / In Transition Certification / status in the assurance model, this should be incorporated in the Claims Guide: what it means to be ‘in transition’ and what claims can be made.
 - iv. More information on the types of Certification Scope should be added to the Guide for context. Product-level certification for Performance Standard may be confusing in relation to CoC, so another term will be identified (e.g. “Material Stewardship” cert scope, as this is the intended application, also to be updated in the Assurance Manual). It was also noted by some downstream Members that product claims could only be made by a Member that is certified to the CoC Standard.
 - v. Companies should be asked to indicate their intentions for future certification, and report on progress on any specific issues, via their individual member page on the ASI website. This could be collected on an annual basis via a standard template e.g. at time of membership renewal, and also updated via audit reports.
 - vi. Data collection may be at both member-level and via the certification scope, and members will be certified at different stages over time. This will need thought as to data comparison/aggregation, and consideration of what is required by ISEAL’s Impacts Code.
 - vii. Vigilance over claims is a responsibility of ASI through the ISEAL Assurance Code. Systems can include at least annual checks at time of annual membership fee, monitoring of Google alerts, etc. Often peers/competitors/other members will alert the scheme owner of non-complying claims in the marketplace.
 - viii. The Claims Guide sets out permitted claims, and also makes provision for other ‘bespoke’ claims to be proposed (when marketing department gets involved), however these must be controlled and approved by ASI.

9. Chain of Custody

- a. A draft 2 Chain of Custody standard was developed alongside the Performance Standard finalisation. Participants noted:
 - i. It had been agreed during the initial drafting that the product segregation model was not possible. A mass balance system was incorporated into the draft standard with “credits” allocated according to the amount of ASI material.
 - ii. There were 3 “minimum sourcing provision” options proposed in draft No. 2 for pilot testing, which tried to find a balance between the desire for a “guarantee” for metal, but not creating another standard for sourcing. At the time the draft was prepared, a decision on the preferred option had not been reached and discussion about the options and timing for implementation

were still being discussed, particularly as the ASI processes mature. A “supply chain due diligence” model for non-ASI sources might be a useful alternative framework.

- iii. The treatment of industrial scrap needed further discussion, and the entities who carry out due diligence of collectors etc. need to be identified.
 - iv. There was not yet a definition of what the “sustainability data/ (ASI credits)” would be in terms of specific information to be transferred to the next entity.
 - v. As time frames for allocation of credits can be over a year or 2 years, and credits disappear after 2 years, the systems for allocation need to be clearer.
 - vi. There may be a mix of CoC mass balance models implied in the current draft.
 - vii. The role of trading platforms, warehousing, physical swaps etc. need to be explicitly acknowledged and addressed in the standard.
 - viii. Current metals flows are designed for efficiency, and changes to that are likely to introduce cost, which should be considered.
- b. Key principles noted by the various participants for the next draft included:
- i. Keep the CoC standard credible, practical and feasible.
 - ii. Pilots and simulations of both short/simple and long/complex supply chains will be valuable with consideration of the 3 minimum sourcing provisions.
 - iii. More guidance on implementation, as discussion highlighted multiple interpretations of the current draft as well as the open decision on the three sourcing related options in the draft.
 - iv. Need more detail on how the mass balance accounting is proposed to work across successive transformations.
 - v. More detail on what sustainability data will flow through to the end of supply chain.
 - vi. Need to clearly address all the available forms of scrap and recyclables.
 - vii. Input from the Indigenous Peoples Advisory Forum to be sought.
 - viii. Company expertise on supply chains/trading will be important e.g. through pilots/simulations.
 - ix. In some sectors, e.g. palm oil certification, multiple models were allowed in parallel (e.g. mass balance and book and claim).

10. Group Exercise – Claims and CoC

- a. A group exercise was convened. Three groups of 5 people were each asked to focus on one of the following: cans and packaging; automotive; and mining, refining and smelting. Questions to each group were:
 - i. *What claims about ASI aluminium do you think will be able to provide as a supplier in this sector/supply chain?*
 - ii. *What claims about ASI aluminium are you looking for as a customer in this sector/supply chain, or as a broader stakeholder?*
 - iii. *What kind of “sustainability data/(ASI credits)” information will need to be collected and transferred between certified entities to support these claims?*
 - iv. *What kinds of challenges might arise in this particular sector/supply chain, and are there ways these could be addressed?*
- b. Cans and packaging group: points raised included:
 - i. The end consumer in general is not yet interested in aluminium claims, though some markets may be. However a product label is not of interest.
 - ii. In long term, downstream/brands want to be able to say initially that they work with a supply chain that is ASI compliant, and longer term that the aluminium is X/100% ASI compliant. There is an important discussion to be had about the differentiation between entities in supply chain and material flowing through these entities.

- iii. In some cases, companies may wish to explore claims that are product or market specific. For example, this could be permitted where 'credits' sourced across the company can be allocated in some way e.g. to a particular aluminium based product marketed in Sweden.
 - iv. Downstream/brands would also like aggregated data on GHG emissions, which could be reported annually or quarterly (rather than by each shipment). It was acknowledged that adding up CO2 through the entire value chain would be complex, so the focus may be on smelting as 70-80% of overall impact, for example. Need to set out options for data transfer and regularity through CoC Standard.
 - v. The Material Stewardship section of the Performance Standard has ~~a criteria~~ a criterion on providing customers with life cycle assessment related information which may be sufficient at this time.
 - vi. Costs of requiring, providing or calculating data should be considered. The Performance Standard sets GHG requirements for smelters, but extra sets of calculations at other steps of the supply chains are not envisaged.
 - vii. A minimum amount of "ASI aluminium" for claims may need to be considered, or alternatively make disclosure of percentages mandatory and this would become self-regulating for claims.
 - viii. The claims that will be possible in 5 years' time with a mature system are different to what can be said in the shorter term under an immature and still developing system. Language such as 'working towards' etc. may be relevant, and could be scoped in the Claims Guide.
- c. Automotive group: points raised related to the automotive and building sector and included:
- i. Certified entities (downstream) want to be able to make claims about membership, and both the Performance Standard (particularly material stewardship) and CoC. Also want to be able to claim they source X% ASI aluminium.
 - ii. Sourcing should be linked to material stewardship requirements. In other words, the Performance Standard should be a requirement before/with (still to be determined) CoC certification.
 - iii. Sourcing would be done in this sector at the business level, though may be allocated to products in special cases and there is no intention at this stage to have the ASI logo on the product. In those special cases, the desired claim would be to be able to say that this product is X/100% ASI aluminium, where the sourced input was sufficient to say this. It would be an internal decision to make such an allocation, and the company would do so only if there was a sufficient marketing message.
 - iv. Another audience is external rating agencies, and B2B clients (for example in 'green' construction projects). Similarly, an allocation model would enable a 100% claim for a particular project or product suite.
 - v. CoC Standard may not be so easy to integrate into internal (inflexible) IT systems, and initially volume/credit tracking may be separate while systems are tested / volumes are still small. Over time the intention would be to integrate.
 - vi. The proposed calculation model in the draft 2 CoC Standard is still unclear and may present challenges. Providing volume/credits data on annual/quarterly monthly basis would be preferred – while it would probably be feasible to provide this data on a shipment basis, it would be burdensome

and less scalable. Need to consider both business implementation and reporting into ASI for impacts evaluation.

- vii. An ASI tracking system would support data flow. Discussion on mass balance model left open the question as to whether “ASI aluminium” can be sold on the open market or via the trading platform. Is an identified customer needed for the transaction? How will warehousing/trading with physical swaps work? The idea at present, as noted in the current draft of the CoC Standard, is that credits are allocated back to a clear physical flow.
 - viii. Responsible sourcing was a strong emphasis in the group’s discussion. CoC should ideally allow traceability and an acceptable level of due diligence on non-ASI sources. Product-level claims need to be supported by CoC certification.
 - ix. For companies such as in the Downstream Supporters membership class, which would not be certified but may want to source, the value is in de-risking the supply chain even if claims are not permitted without CoC certification. This should be added to the Claims Guide.
 - x. The word ‘credit’ in the draft 2 CoC Standard might be better put as ‘volume allocated’.
 - xi. The 2 year expiry date for ‘credits’ in the draft 2 CoC Standard is set at the facility level from when material is an input to that facility (i.e. it is not 2 years from when mined). This timeframe was proposed to handle issues where the ASI standard/s gets revised.
- d. Mining, Refining and Smelting group: points raised included:
- i. Bauxite mine only produces bauxite, so a mine certified against the Performance Standard would then choose to get certified for CoC to produce the right paperwork for shipments.
 - ii. Alumina refining – some have single source of bauxite, others multiple sources, and may be restricted in choice of supply as a refinery is usually optimised for a certain grade/blend of bauxite. Only 3 types of input are possible:
 - CoC bauxite
 - ‘Eligible for Mining’ bauxite (subject to due diligence)
 - Ineligible bauxite (screened out by due diligence)
 - iii. Aluminium smelting – input is alumina, and as for refining, only 3 types of input are possible:
 - CoC alumina
 - ‘Eligible for Mining’ alumina (subject to due diligence)
 - Ineligible alumina (screened out by due diligence)
 - iv. Mining, refining and smelting facilities would each have the option of Performance Standard and/or CoC.
 - For those with both: plant and product are both certified and this is the claim.
 - For those with just the Performance Standard (PS): plant is certified but the product is not.
 - For those with none: the product would be ‘Eligible for Mixing’ if the facility passes due diligence screening, but the plant or product are not certified.
 - If a facility does not pass due diligence, then its product is not ‘Eligible for Mixing’.
 - v. For a refinery or a smelter, if the plant is PS and CoC certified, and:
 - *All inputs* are CoC, then can claim that all product is CoC certified.

- Propose to have that “*ASI aluminium*” claims must be based on more than (e.g.) 50% of volume in, where the rest of the input is EFM, then corresponding percentage of product can be CoC certified. Should not be able to say that 100% of product is “50% ASI certified”.
- vi. Thus the Standards Committee should consider a minimum percentage for refining and/or smelting (and possibly rolling) for claims to be made. This would be subject to consultation in the next draft of the CoC Standard.
- vii. The ‘Eligible for Mixing’ / due diligence criteria need further discussion as to which criteria and where they apply, and by who. It was proposed that due diligence should apply to non-ASI streams into smelters and rollers as well (not just refiners). Downstream users want to know that due diligence has already been done upstream. Risk-based due diligence models have been developed with the OECD Due Diligence Guidance. Focus should be on any ‘critical breach’ type issues.
- viii. The CoC Standard needs to address issues around physical swaps, changes in cargo etc. What kind of flexibility can be provided around metals trading, and how would due diligence responsibilities be accommodated.
- ix. The current draft uses examples with tonnes; the next draft should focus on percentages to take account of process losses.
- x. Other metals in alloys are not covered by the CoC Standard. It was noted that this was understood to be covered under the ‘responsible sourcing’ provision in the Performance Standard.

11. Closing reflections and next steps

- a. As more detail is fleshed out in these various models, examples from other standards systems will be reviewed on specific points. Expert input (e.g. from procurement, IT etc.) will also be sought, and can be brought in on specific agendas as relevant.
- b. Future agendas could go into more depth on indigenous peoples issues. A 2 page summary of the assurance model (with French translation) would be useful to share with the IPAF.
- c. The possibility of an additional face-to-face meeting will be explored, though ASI budget constraints were noted.
- d. An ISO anti-bribery standard is forthcoming later in 2016 and will be added to the list for the Harmonisation Working Group.
- e. Thought will be given to the timing and approach for pilots and supply chain simulations that can inform the Standards Committee ongoing deliberations.
- f. Future face to face meetings should continue to include breakout based sessions to focus on identifying issues and proposing solutions.