

ASI Standards Committee – Minutes – Teleconference

Date: 15 March 2017

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:

Chair: Annemarie Goedmakers (Chimbo Foundation)

Committee Members: Catherine Athenes (Constellium), Christophe Boussemart (Nespresso), Giulia Carbone (IUCN), Justin Furness (Council for Aluminium in Building), Tom Maddox (Fauna and Flora International), Rosa Garcia Pineiro (Alcoa), Rolf Brunkhorst (alternate for Stefan Rohrmus, Schueco), Marcel van der Velden (Arconic), Neill Wilkins (Institute for Human Rights and Business), Jerome Lucaes (Rusal).

ASI Secretariat: Fiona Solomon, Krista West, Michelle Freesz

Apologies: Bernhard Bauske (WWF), Philip Hunter (Verite), Jostein Soreide (Norsk Hydro), Sam Brumale (ASI), Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname), Karl Bath (BMW), Justus Kamueller (alternative for Bernhard Bauske, WWF), Roland Dubois (Rio Tinto Aluminium), Robeliza Halip (Asia Indigenous Peoples Pact), Bjoern Kulmann (Ball), Brenda Pulley (Keep America Beautiful), Josef Schoen (Audi), Jean-Pierre Mean (Transparency International).

Documents circulated:

1. Meeting Agenda (including Meeting Actions Log and Resolutions Log)
2. Minutes of previous meeting v1
3. Meeting Resolutions Log – Standards Committee [Word]
4. Summary of public consultation input for CoC Standard draft 3 [Word]
5. Comments log – public consultation for CoC Standard draft 3 [Excel]
6. Draft 4 ASI CoC Standard – Standards Committee version Feb 2017 [Word]
7. Draft 2 ASI CoC Guidance – Standards Committee version Feb 2017 [Word]
8. Mass flow modelling of CoC data – brief overview paper Feb 2017 [Word]
9. ASI Claims Guide – Version 1 Draft 3 [Word]
10. Alternate Form [Word]
11. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Welcome new Committee members.
3. Table Meeting Resolution Log.
4. Agree candidate for Industrial User casual vacancy.
5. Review summary of public consultation input for CoC Standard draft 3.
6. Discuss and ideally resolve two CoC-related items in advance of the Montreal meeting.
7. Table Mass flow modelling of CoC data paper.
8. Table draft 3 of the ASI Claims Guide.

Items for discussion:

1. Preliminaries

- a. Welcome, including to new Standards Committee members:
 - Marcel van der Velden (Arconic)
 - Neill Wilkins (Institute for Human Rights and Business)
 - Giulia Carbone (IUCN)
- b. Apologies and proxies as noted.
- c. It was **RESOLVED to accept the minutes of the previous teleconference meeting on 22 February 2016 (version 1).**
- d. Review of Actions Log – see list at end of Agenda.
- e. Meeting Resolutions log now also being maintained – as per suggestion in governance survey – see circulated document and list at end of Agenda.

2. Standards Committee Update

- a. Montreal Standards Committee Meeting – meeting materials will be circulated to the Committee by March 22.
- b. Casual vacancy on the ASI Standards Committee in the Industrial Users class, due to insufficient nominations in that class in 2017. Suggestions for nominees that can fairly represent the interests of the Industrial Users class were received during the governance elections, as follows:
 - Yves Zimmerman, VP Product Technology and Marketing, Regain Materials (General Supporters member). This company develops technologies and approaches to recycle spent pot-lining from aluminium smelters.
 - Rolf Brunkhorst, Head of Sustainability, Schüco International KG (Industrial Users member). Note this nomination is ineligible as there is already a Schüco representative on the Standards Committee, and members are only permitted a maximum of one representative.
 - Justin Furness, Technical Director, Council for Aluminium in Building (Associations member). Note Justin is currently a Standards Committee member, it having already been agreed in 2016 that he fairly represents the interests of the Industrial Users class. His appointment for a second term would provide continuity in the current standards development process.
- c. It was **RESOLVED that Justin Furness continue as an ASI Standards Committee member, representing the Industrial Users class on a second 1 year term, in accordance with the rules set out in the ASI Constitution.**

3. ASI Standards

- a. **2017 Consultation Plan:**
 - The Consultation Plan, agreed at the last Committee meeting, has been published on the ASI website and included in the February newsletter.
- b. **Chain of Custody Standard (draft 4):**
 - Comments Log:
 - An initial Comments Log, compiling all comments received during the October-December 2016 public consultation for draft 3 of the CoC Standard and draft 1 Guidance, was published on the ASI website on February 7, 2017.
 - Committee now has an updated Comments Log which captures ASI responses to date.
 - Vast majority of comments have been integrated in the work-in-progress draft 4 CoC Standard and draft 2 Guidance, and/or responded to in the Comments Log.
 - This spreadsheet is also a work-in-progress in the lead up to the next public comment period on draft 4, when it will be published.
 - It was noted that where questions for clarification were raised, the ASI Secretariat will respond individually at the start of the next comment period (where this has not already been done).
 - Summary Report

- A Summary Report has been circulated to the Committee on the comments received. The intention is for this document, or an updated version, to also be published as an overview for stakeholders.
 - Work-in progress draft 4 of the CoC Standard and draft 2 Guidance
 - Current work-in-progress versions have been circulated.
 - Include comments referencing track changes to individual input received, for the Standards Committee's information. These would be removed from the drafts for the next public consultation, and only the track changes themselves included.
 - Issues identified for discussion and possible resolution at today's meeting:
 - Outsourcing Contractors: 2 comments received, 1 with the view that the current criteria were too rigid, 1 with the view that the current criteria were not rigid enough.
 - It was agreed to retain current criteria structure for the next draft for consultation.
 - There will be further discussion on tolling arrangements at the Montreal meeting, to be added to the CoC Guidance (and Assessment Manual).
 - Pilot program may also provide further feedback.
 - Limit on cash payments: 2 comments received, 1 with the view that there should be no limit on cash payments, 1 with the view that cash limits should be lower than the proposed \$10,000 eg set at \$1500. Propose to retain current criteria.
 - It was agreed to retain current criteria structure for the next draft for consultation.
 - It was noted that this issue is mainly in the secondary/recycled metals sector, and aims to control risks related to money laundering. Such risks are reported in both developed and developing countries.
 - Pilot program may also provide further feedback.
 - Issues identified for discussion at the Montreal meeting in April:
 - Outsourcing Contractors (tolling arrangements)
 - Eligible Scrap
 - Small business
 - Disclosure of GHG emissions
 - Market Credits system
 - Additional items to be added to the Montreal agenda to highlight/review responses:
 - Administration system for CoC: how can ASI make sure there is a clear understanding of what the mass balance requirements are and how they can be implemented.
 - Confidentiality of reported data
 - Accreditation of independent auditors
 - Due diligence (partly covered by eligible scrap, small business topics) and tier 1 suppliers/further
 - Responsible sourcing vs due diligence
- c. Mass Flow modelling of CoC data – paper**
- Following an action from the October 2016 Standards Committee teleconference, a briefing paper on the use of CoC input/output data for mass flow modelling and visualisation has been developed, which is being tabled for discussion at this meeting.
 - Committee discussion noted:
 - ASI credits can also be included in the mass flow.
 - Mass flow modelling is a great way to show uptakes/flows, including end-of-life recycling.
 - For confidentiality of data when there are few companies in the early stages of the certification program, ASI could consider setting more

specific limits in the anti-trust policy before data can be reported eg 3 companies to avoid identification risk. The anti-trust policy will undergo a periodic review in 2017.

- Care will be taken to avoid false claims re ‘recycled content’ that could be inferred from publication of mass flow data.

d. Claims Guide

- Draft 3 of the ASI Claims Guide is being tabled for preliminary discussion at this meeting. It includes some minor track changes since draft 2.
- Claims are also on the agenda for the Montreal Standards Committee meeting.
- It is recommended to publish the draft Claims Guide as part of the package of documents for public consultation in 2017.

e. ASI Performance Standard:

- Based on additional feedback since the last meeting regarding the 2017 minor revision, topics identified for discussion at the Montreal meeting are now (updated):
 - Material Stewardship
 - Mine Site Rehabilitation
 - ‘Area of Influence’ incorporating concept of ‘associated facilities’
 - Payments to governments (3.3a)
 - Labour: Freedom of Association & Right to Collective Bargaining, Child Labour, Forced Labour
 - Ecosystem services
 - Legally protected areas
 - Effective monitoring – water and biodiversity
 - Noise and in-migration
- Other topics from Working Groups and individual commenters have been integrated in updates to the Guidance updates and sent to the relevant WG/commenter for review.
- Updated work-in-progress drafts of the Standard and Guidance will be circulated for the Montreal meeting. Additional topics for discussion can be raised at the start of the meeting agenda, though if notified to the Secretariat in advance, slides supporting discussion can be prepared.
- The focus of the Montreal meeting is to review the significant proposed changes so as to enable further feedback and input from stakeholders as part of the 2017 consultation process.

4. Working Groups

- a. Working Group meetings have been convened in March for GHG, Material Stewardship/Recycling, and Environmental Impacts.
- b. Sam Brumale to connect with the Benchmarking and Harmonisation WG on his return from leave.
- c. Reports from each Working Group will be given at the Montreal meeting.

5. Assurance Manual Update

- a. Thanks to those who submitted comments by Feb 28. The Assurance Manual is on the agenda for day 1 of the Montreal Standards Committee meeting.

6. ASI Auditor Accreditation Update

- a. Sam Brumale to continue this work on his return from paternity leave.

7. AOB

- a. An additional Civil Society member may join ASI and the Committee prior to Montreal.

8. Next teleconferences and meetings

- a. Wednesday – Friday, 5-7 April 2017 in Montreal.
- b. 3 May 2017 – Teleconference
- c. 14 June 2017 – Teleconference