

ASI Standards Committee – Minutes – Teleconference

Date: 13 September 2017

Antitrust Statement:

Attendees are kindly reminded that 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 have extremely serious consequences for 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 in respect of all other ASI activities.

Participants:

Chair: Annemarie Goedmakers (Chimbo Foundation)

Committee Members:

Catherine Athenes (Constellium), Christophe Boussebart (Nespresso), Justin Furness (Council for Aluminium in Building), Philip Hunter (Verite), Justus Kammueller (WWF), Jerome Lucaes (Rusal), Jean-Pierre Mean (Independent anti-corruption expert), Jostein Soreide (Norsk Hydro), Marcel van der Velden (Arconic).

Proxies/Alternates: Justus Kammueller as proxy for Stefan Rohrmus (Schueco) and Giulia Carbone (IUCN), Nicole Funk as Alternate for Karl Bath (BMW), Deise Nishimura as Alternate for Rosa Garcia Pineiro (Alcoa)

ASI Secretariat: Fiona Solomon, Sam Brumale, Krista West, Michelle Freesz.

Apologies: Adam Lee (IndustriALL Global Union), Brenda Pulley (Keep America Beautiful), Stefan Rohrmus (Schueco), Karl Barth (BMW), Josef Schoen (Audi), Bjoern Kulmann (Ball), Rosa Garcia Pineiro (Alcoa), Giulia Carbone (IUCN), Robeliza Halip (Asia Indigenous Peoples Pact), Roland Dubois (Rio Tinto Aluminium), Tom Maddox (Fauna and Flora International), Neill Wilkins (Institute for Human Rights and Business), Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname).

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 29 August 2017 v1
3. Updated Log of Feedback and Comments from 2017 Public Consultation (5 September 2017)
4. ASI Performance Standard (Version 2, draft 3a WIP)
5. ASI Performance Standard Guidance (Version 1, draft 3b WIP)
6. Alternate Form [Word]
7. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Training presentation about the updated ASI Anti-Trust Policy
3. Discuss and review Principles 1 – 4 (and Principles 5 time permitting) from the updated Performance Standard (Version 2, draft 3) and Guidance (Version 1, draft 3) with comments from the 2017 public consultation.

Items discussed:

1. Preliminaries

- a. Welcome.
- b. Apologies and proxies received.
- c. **RESOLUTION** to accept minutes of previous teleconference meeting held on 29 August 2017 (*version 1*).
- d. Review of Actions Log – see list at end of Agenda.
 - Feedback regarding Closed Actions 90, 91 and 92:

#	Action	Response / Changes:	Discussion Notes
90	Add further clarification that certification against the Standard means against the 'applicable components of the Standard'.	<p>Added the following text to the CoC Guidance (introduction to Chapter 6 Post-Casthouse: Criteria for ASI Aluminium:</p> <p><i>Post-Casthouse Entities and/or Facilities are given a more flexible timeframe for achieving ASI Certification against the applicable parts of the Performance Standard, than Entities up to and including the Casthouse which must be Certified against the Performance Standard before or at the same time as their CoC Certification. This is because the majority of Post-Casthouse Entities in the longer term are likely to only have the 'Material Stewardship' section of the Performance Standard applying to them. As these criteria in the Performance Standard support longer-term impacts of ASI and – unlike many of the upstream sustainability issues – are not a critical pre-requisite for the credibility of CoC Material, this longer timeframe recognises that downstream companies may be initially drawn to ASI for the opportunities to source ASI Aluminium. (Note that additional parts of the Performance Standard beyond the Material Stewardship criteria may apply to Post-Casthouse Entities depending on the supply chain activities included in their Certification Scope).</i></p> <p>Text also updated in the Assurance Manual (section 3.5.2)</p> <p><i>Entities that seek Certification to the Chain of Custody Standard must also be certified to the ASI Performance Standard, as defined by the requirements in the Chain of Custody Standard and as applicable based on the Membership Class and the Entity's activities:</i></p>	<p>A minor change to the Governance Handbook to further clarify the applicability of the standards based on the Membership class was also presented.</p> <p>Response accepted and no further changes suggested.</p>
91	Add further clarification regarding the 'more flexible timeframe' for Post-Casthouse Entities getting CoC Certification to also achieve Performance Standard Certification.	<p>Text included in the Assurance Manual (section 3.5.2):</p> <ul style="list-style-type: none"> • <i>For Entities with any activities in Bauxite Mining, Alumina Refining, Aluminium Smelting, Aluminium Re-Melting/Refining, and/or operating a Casthouse, Certification against the Performance Standard is a pre-requisite for Chain of Custody Certification.</i> • <i>For Entities only with activities that are Post-Casthouse, Certification against the Chain of Custody Standard may be obtained before Certification against the Performance Standard. However, Certification against the Performance Standard must be achieved within the applicable deadline for their ASI Membership (within 2 years of the launch of the ASI Certification system or 2 years of joining ASI, whichever is later).</i> • <i>Where a Post-Casthouse Entity has already met their applicable ASI Membership deadline for Performance Standard Certification of at least one Entity, Facility or Product/Program, but now seeks CoC Certification for a different Entity,</i> 	<p>Response accepted and no further changes suggested.</p>

#	Action	Response / Changes:	Discussion Notes
		<p><i>Facility, and/or Product/Program:</i></p> <ul style="list-style-type: none"> - <i>The Performance Standard Certification for this Entity, Facility or Product/Program must be achieved within 1 year of the CoC Certification being granted.</i> - <i>Claims regarding CoC Certification can still be made during this period.</i> • <i>If Performance Standard Certification is not achieved within the applicable deadline, the CoC Certification will be suspended.</i> 	
92	Address the second comment regarding ISO 14021 (received during the public consultation).	<p>Added the following: <i>ISO14021 is used as a reference for the Glossary definitions of Pre-Consumer Scrap and Post-Consumer Scrap. So the definition of Pre-Consumer includes the point that the material is 'not capable of being reclaimed within the same process that generated it.'</i></p>	<p>Response accepted. It was also proposed to add a second example related to foil or similar to the action from the last meeting to give an example of internal dross recycling in the Guidance (Action 89).</p> <p>Note to all members to test the internal 'accounting' of recycled material during the pilot period.</p>

2. Standards Committee Update

- a. **Anti-Trust Policy** – The Policy has been updated following a review by the ASI Legal Committee and ASI's independent antitrust lawyer. A training module on the new Policy has been developed for Board Directors and the Standards Committee.
- Review was part of the review cycle of the Policy. Focus was to extend the Policy to include additional practical direction to participants in ASI governance and events.
 - Congratulations on a very comprehensive policy.

3. ASI Normative Documents and Public Consultation

- a. **Performance Standard and Guidance on Principle 1 Business Integrity** – Discuss and review updates and comments related to Principle 1 Business Integrity in the ASI Performance Standard (Version 2, draft 3a WIP) and Performance Standard Guidance (Version 1, draft 3a WIP):
- It was noted that some of the items in the comments log were not included in the teleconference presentation as these were either minor, easy to respond to and did not affect the intent of the standards. However, all comments are noted in the comments log circulated to all Committee members and published on the ASI website.

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 1.2 Anti-Corruption:</i></p> <ul style="list-style-type: none"> • Clarity around what is meant by 'international instruments'. 	<p>Have changed to 'prevailing international standards', as follows: 1.2 Anti-Corruption: <i>The [Entity] shall work against Corruption in all its forms, including Extortion and Bribery, consistent with Applicable Law and <u>prevailing international instruments standards.</u></i></p>	Response accepted and no further changes suggested.
<p><i>Criterion 1.1 Compliance & 1.2 Anti-Corruption:</i></p> <ul style="list-style-type: none"> • Not clear defined what kind of law can be considered as Applicable. It could be Applicable law but not related to scope of issues covered by Standard. The definition at page 18 is not in line with ISO management system standards requirements. The ISO standards requirements related to "legal 	<p>'The 'Applicable Law' definition does refer to 'relevant' laws, and the definition has been reviewed by the ASI Legal Committee. It also mirrors the definition used by other organisations and other industry certification schemes such as the Responsible Jewellery Council which has been implemented by more than 600 entities and had careful revision in 2013. The additional suggestions are also covered in the Guidance, which is a better place than making the standard more prescriptive in this area.</p> <p>Further the Guidance document provides examples of Applicable law and 'other requirements (i.e. more than those</p>	Response accepted and no further changes suggested.

Feedback:	Comments & Proposed changes:	Discussion Notes
<p>requirements”.</p> <ul style="list-style-type: none"> Replace “Applicable Law with “...Applicable legal requirements, related to issues covered by the current standard.” 	<p>prescribed by Applicable Law) such as standards, codes of practice, guidelines, etc..</p>	
<p><i>Criterion 1.1 Compliance</i></p> <ul style="list-style-type: none"> “systems ... to ... ensure compliance” is too general requirement. Need to be clear defined what management system processes shall be established. “to maintain awareness of” is implied by the second part of the sentence, and diminishes the focus 	<p>The change (from version 1 wording) was part of a shift from an implied expectation of a full legal compliance audit, to have systems in place - and it is these that would be audited. There are two components to the systems - how to be aware of current relevant law and any changes, and then to support compliance.</p>	<p>Response accepted and no further changes suggested.</p>

b. Performance Standard and Guidance on Principle 2 Policy and Management – Discuss and review updates and comments related to Principle 2 Policy and Management in the ASI Performance Standard (Version 2, draft 3a WIP) and Performance Standard Guidance (Version 1, draft 3a WIP):

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 2.1 ES&G Policy:</i></p> <ul style="list-style-type: none"> There is no reference to communicating the policies to supplier . 	<p>Have changed criterion, as follows: 2.1 Environmental, Social, and Governance Policy. <i>The [Entity] shall implement and communicate internally, <u>and externally as appropriate,</u> Policies consistent with the environmental, social, and governance practices included in this Standard .</i> Note that these points are already covered in the Guidance.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.2 Leadership:</i></p> <ul style="list-style-type: none"> Clarity around requirements for management system representatives . 	<p>Criterion modified as follows: 2.2 Leadership. <i>The [Entity] shall [nominate] at least one senior Management Representative who shall ensure that <u>as having overall responsibility and authority for ensuring conformance compliance</u> with the requirements of this Standard are met.</i> This is consistent with similar comments about CoC Standard criterion 1.4 which also requires management representatives to be appointed.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.3 Env. & Social Management Systems:</i></p> <ul style="list-style-type: none"> Suggest rewrite 2.3 to separate environmental management systems and social management systems as these are sometimes developed separately and/or involve different people. 	<p>Criterion modified as follows and changes reflected in Guidance and Assurance Manual (regarding Harmonisation Table 3.7): 2.3 Environmental and Social Management Systems. <i>The [Entity] shall document and implement integrated or stand-alone documented:</i> <u>a. Environmental Management Systems,</u> <u>and</u> <u>b. Social Management Systems.</u></p>	<p>Response accepted and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 2.3 Env. & Social Management Systems Guidance :</i></p> <ul style="list-style-type: none"> ISO 14000:1 is not required under this section. Propose to include this particularly for larger organisations. 	<p>The following has been added to the Guidance for this criteria:</p> <ul style="list-style-type: none"> <u>International standards such as ISO 14001, ISO 26000 and SA 8000 offer management system models that may be relevant for some businesses. The Assurance Manual identifies recognised standards and certification programs that would fulfil the requirements of this criteria. There has been discussion of these Standards by an expert group in the Harmonisation and Benchmarking Working Group. The issue with making them a requirement would be that it would create barriers to small business participation, by requiring several layers of certification to achieve ASI certification.</u> 	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.3 Env. & Social Management Systems:</i></p> <ul style="list-style-type: none"> Unclear how auditor will assess implementation of Management Systems if not implemented and to an international standard. There are no specified management system elements and processes - it will be impossible to put all requirements in the standard. Guideline cannot be criteria for that. So it should be clear defined the standards or such requirement shall be removed.. This standard has a lot of requirements to management system and I think it will be enough. Recommend to remove Clause 2.3. 	<p>The Guidance provides reference to standards such as ISO14001 and SA8000, but does not prescribe/require these. However, these standards provide a general model for how management systems work. Companies should have the flexibility (given their size/nature/type of risks), to develop and implement systems that suit their business. Auditors will evaluate the effectiveness of those systems as defined by the system's objectives. If companies do adopt systems in accordance with international standards, the ASI assurance model recognises their equivalence to this requirement.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.5 Impact Assessment Guidance :</i></p> <ul style="list-style-type: none"> The standard should define the mitigation hierarchy in more detail (Inclusion of BBOP mitigation hierarchy.) 	<p>Have created a cross-reference to chapter 8 (Biodiversity) where there is detail on the mitigation hierarchy for biodiversity impacts.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.5 Impact Assessment Guidance :</i></p> <ul style="list-style-type: none"> Areas outside of No-go areas that have significant conservation value should be considered for the purpose of setting the Impact Assessment Methodology, i.e. triggering the requirement that a 3rd party HCV Network assessor undertake the EIA. In the absence of a clear 	<p>The ASI Guidance does not prescribe the methodology or terms of reference for impact assessments, because these will vary depending on the proposal, the supply chain activities, the jurisdiction/location, scale and risks etc.. A number of best practice references are included in the Guidance: the International Association of Impact Assessment – Best Practice resources, Guide to Human Rights Impact Assessment and Management (HRIAM) (2010), and the International Financial Corporation (IFC) Performance Standard 1 – Guidance Note. Other examples are welcome. The Guidance refers to reviewing impacts at the landscape level, cumulative impacts etc.,</p>	<p>Response accepted and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p>framework to define areas with significant conservation value outside of no-go areas, the ASI should engage in a stakeholder dialog with experts on the issue in order to design an implementable framework for companies to abide by.</p>	<p>so areas with conservation value would be part of the assessment, irrespective of "no-go" or similar status. Further stakeholder dialogue can continue on these issues, via an Biodiversity Working Group which was agreed at the Montreal meeting to establish in Q3/Q4 2017. Impact assessments have well established methodologies in general, though human rights is a newer area, and the assessments need to be carried and out by qualified and experienced experts.</p>	
<p><i>Criterion 2.5 Impact Assessment Guidance :</i></p> <ul style="list-style-type: none"> • <i>In scenarios where new or expansion of existing facilities is occurring in areas of significant conservation value, the utilisation of an independent 3rd party organisation to undertake the impact assessment work, would provide certainty that impact assessments are conducted in a standardised manner and the appropriate avoidance, mitigation and offsets are applied. It is also to be noted that offsets have clear limits. Refer to IUCN’s biodiversity offset policy, specifically Point 9: https://portals.iucn.org/library/sites/library/files/resrcfiles/WCC_2016_RES_059_EN.pdf</i> • <i>Suggestion to include HCV Assessments</i> • <i>Also detailed criteria can be found in Chapter 4.1 – Environmental and Social Impact Assessment (ESIA) of the IRMA Standard for Responsible Mining v2.0.</i> 	<p>Have added this to the Guidance (based on suggested wording):</p> <ul style="list-style-type: none"> • <u><i>Where a mining operation and related infrastructure is proposed in an area of significant conservation value, the environmental component of the Impact Assessment should include:</i></u> <ul style="list-style-type: none"> ○ <u><i>Biodiversity assessments of areas containing significant conservation value should be conducted by qualified experts, via a standardised approach.</i></u> ○ <u><i>A cumulative impact assessment linked to the proposed project, as well as regional planning studies to account for indirect impacts on the environment caused by the operation, such as infrastructure, long-term settlements, logging, poaching, etc..</i></u> ○ <u><i>The appropriate avoidance, mitigation and offsets to manage identified impacts. Evaluation of options should consider associated social impacts. These could include the provision of basic resources (food, water, energy) and other natural resources (including waste management) needed to sustain the lives of workers’ families and associated communities and prevent inappropriate logging, water abstraction, agricultural development, poaching, habitat loss and fragmentation.</i></u> <p>While the HCV network is valuable, it is understood to be not the only framework dealing with conservation issues, so requiring an HCV network audit would be unduly restrictive.</p> <p>Also, we can update the Guidance with references to IRMA once their final standard is agreed and published - it is difficult to reference drafts which may be superseded or stop being publicly available.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.6 Emergency Response Plans :</i></p> <p><i>“The [Entity] shall have site specific emergency response plans developed in collaboration with potentially affected stakeholders groups.”</i></p> <ul style="list-style-type: none"> • <i>It’s unclear what kind of plans shall be because no</i> 	<p>Have added a few points to the Guidance (based on suggested wording) including:</p> <ul style="list-style-type: none"> • <u><i>Base emergency plans on a risk analysis, and include consideration of risk factors such as geographical location, climate, sensitivity of potentially affected ecosystems, and potential impacts on people, environments and assets</i></u> • <u><i>Plans should take into account controls put in place to mitigate impacts people,</i></u> 	<p>Response accepted and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p>indication about severity of affection and positive or negative affection shall be taken in to account.</p>	<p>environments and assets.</p>	
<p><i>Criterion 2.7 Mergers and Acquisitions:</i> <i>“The [Entity] shall include environmental, social and governance aspects in the Due Diligence process”</i></p> <ul style="list-style-type: none"> Unclear. How they shall be included? 	<p>Have included the term review (which by default includes 'consider').</p> <p>2.7 Mergers and Acquisitions. The [Entity] shall include review environmental, social and governance aspects issues in the Due Diligence process for mergers and acquisitions.</p> <p>Note also changed 'aspects' to 'issues' for more clarity, and made consistent across 2.4, 2.7, 2.8.</p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 2.8 Closure, Decom. and Divestment Guidance:</i></p> <ul style="list-style-type: none"> There are numerous cases of mines not having appropriate financial provisions to manage the mines end of life phase. This can be due to poor financial performance of the mine, political instability and perhaps bankruptcy of the organisation. Financial should be held by an independent third party financial institution. 	<p>There is a separate criterion now (8.5) which deals with mine closure and provisioning, as this is certainly an important issue for all mining projects. The management of funds is usually set by the host jurisdiction (which may not be considered to be an 'independent third party') so it is difficult to be prescriptive on this aspect.</p>	<p>Response accepted and no further changes suggested. However a request was made to investigate through the ASI Legal Committee and/or financial specialists if there were other options that ensured Entities maintained suitable provisions for closure independent of the jurisdiction in which they operate.</p> <p>ACTION: Secretariat to discuss with Legal Committee and/or financial specialists mechanisms by which companies set aside financial assurance for mine closure, aside from what may be required by the host jurisdiction.</p>
<p><i>Criterion 2.8 Closure, Decom. and Divestment Guidance:</i></p> <ul style="list-style-type: none"> There have been examples of mines being sold to less scrupulous operators who do not factor in post closure costs in their purchase price. 	<p>This is a contractual and jurisdictional matter which falls outside the scope of a certification program. A new owner of an ASI certified property must continue to act in conformance with ASI Standards in order to maintain the certification. If it does not, then it loses ASI Certification - which is the only tool that ASI has for incentivising good practice.</p>	<p>Response accepted and no further changes suggested.</p> <p>There are guidelines in the Assurance Manual (section 10) for the timelines for transition of certification during an acquisition or merger.</p>

c. Performance Standard and Guidance on Principle 3 Transparency – Discuss and review updates and comments related to Principle 3 Transparency in the ASI Performance Standard (Version 2, draft 3a WIP) and Performance Standard Guidance (Version 1, draft 3a WIP):

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 3.2 Non-compliance and liabilities:</i></p> <ul style="list-style-type: none"> Information on non-compliance should be integral part of disclosure reporting. No need to have a special section for Non-compliance and liabilities and special reporting on this Suggest to delete 3.2 	<p>It is often part of sustainability/disclosure reporting, particularly if frameworks like GRI are adopted. However 3.1 does not require that GRI or similar be used. The SSG placed particular emphasis on non-compliance and liabilities disclosure as an additional criteria, because of this gap.</p>	<p>Response accepted and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 3.4 Stakeholder complaints, grievances and request for information:</i></p> <ul style="list-style-type: none"> It is important that the grievance and whistleblowing procedure be adapted and tailored to the context. For example, if a company sources from a remote mining area, sending an email or a letter might not be so easy. Also, anonymity should be guaranteed when appropriate. 	<p>Whistleblowing procedure is included in the Guidance for this criterion.</p> <p>Guidance expanded to include section about information and anonymity:</p> <ul style="list-style-type: none"> <i>For example - Complaints could be accepted and addressed irrespective of the form in which they are made (e.g. oral communications in local languages, where communities would have difficulty interfacing with technical processes or documents).</i> <i>Anonymity may be important for some stakeholder groups or in some contexts, such as in situations or social conflict or in cases of whistleblowing.</i> 	<p>Response accepted and no further changes suggested.</p>

d. Performance Standard and Guidance on Principle 4 Material Stewardship – Discuss and review updates and comments related to Principle 4 Material Stewardship in the ASI Performance Standard (Version 2, draft 3a WIP) and Performance Standard Guidance (Version 1, draft 3a WIP):

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 4.1 Environmental Life Cycle Assessment:</i></p> <ul style="list-style-type: none"> It is not clear here, or in the Guidance how this applies to mining and refining. Are they expected to contribute data to LCAs for downstream products or actually do LCAs for bauxite and alumina? The cradle to gate suggests that participants in the value chain quantify the impacts of their own processes and those upstream, but often LCA is done across whole chain...needs clarification (likely in guidance) on the expectation for folks at different points in the chain...eg miners/primary/recyclers /downstream 	<p>This point was discussed earlier this year in the Recycling and Material Stewardship Working Group, which clarified that mining and refining do play a role to contribute data and analyses. Have added this to the Guidance for 4.1b:</p> <ul style="list-style-type: none"> <i>Cradle-to-gate analyses will vary depending on your position in the value chain. For example, bauxite mining would cover the extraction process and associated impacts to the mine gate, whereas a downstream entity would likely draw on available information regarding upstream impacts and then include impacts from their own production.</i> 	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 4.1 Environmental Life Cycle Assessment:</i></p> <ul style="list-style-type: none"> A cradle-to-grave approach to LCA should be promoted, and LCA information covering end of life stages should be included When considering material stewardship, it is critically important that we understand the life cycle impacts of aluminium from mining to use and through to end-of-life, as stated in 	<p>This was discussed by the Recycling and Material Stewardship Working Group. As a result, have added this sentence to the Guidance for 4.1b:</p> <ul style="list-style-type: none"> <i>Where 'cradle-to-grave' information is available, this would meet and exceed this requirement. A cradle-to-grave analysis could also include the environmental benefits resulting from the use stage and collection and recycling at end of life (see criterion 4.4). However, given the difficulty for upstream producers to track where metal goes, a cradle-to-gate analysis is often more feasible.</i> <p>It's worth noting that smaller businesses</p>	<p>Several comments were made that whilst the 'cradle to gate' requirement will be retained in the Standard, ASI should promote the 'cradle to grave' approach via the Guidance as much as possible. However it was acknowledged that was not relevant to primary aluminium production.</p> <p>The importance of clearly disclosing the assumptions used in LCA assessments was also emphasised and this should be noted in the Guidance.</p> <p>ACTION: Review the proposed additional guidance for criterion 4.1b to ensure it promotes the importance of 'cradle-to-</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p>the ASI Performance Standard Guidance (p26). This principle should hold for every material as we seek to move from a linear “take-make-dispose” model to a circular economy. Therefore, the Performance Standard must promote the use of cradle-to-grave LCA and not cradle-to-gate. It is important that the metals community sets the benchmark in this regard</p>	<p>would have difficulty in complying with a more stringent requirement in this area.</p>	<p><i>grave’ for LCA assessments where information is available (not just ‘meet and exceed’) and ensure it is clear that the LCA needs to be qualified with the assumptions used.</i></p>
<p><i>Criterion 4.1 Environmental Life Cycle Assessment:</i></p> <ul style="list-style-type: none"> Should be noted that while LCA information is published by these organisations, it is not always cradle to gate (often gate to gate) and that when cradle to gate data is published, much of the background data (including some which have a significant contribution to impact categories) is sourced from 3rd party databases (GaBi, ecoinvent etc.). such data is proprietary and often difficult to interrogate (black box). Thus “public access” to the more material influences on impact could be problematic. 	<p>Added two points to the Guidance on this:</p> <ul style="list-style-type: none"> <i>A number of associations including the International Aluminium Institute (IAI), The Aluminium Association and European Aluminium publish LCA information for production and use sectors. This could be cradle-to-gate, or simply ‘gate-to-gate’ if focused on a specific supply chain step.</i> <ul style="list-style-type: none"> <i>There is also work underway by CEN to develop approaches for the sustainability assessment of construction products and buildings based on EN 15804 and EN 15978 standards.</i> <i>Background data used to prepare LCA information is often sourced from third party Life Cycle Inventory databases (such as GaBi, ecoinvent, etc.). This can include data which makes a significant contribution to impact categories, but is proprietary and often difficult to interrogate. “Public access” to these aspects can therefore be problematic.</i> 	<p>Response accepted.</p> <p>However it was noted that EN 15804 and EN 15978 requires that auditors review and validate data associated with Environmental product Declarations (EPD’s). The Guidance should be therefore be expanded to note that EPD’s are verified by an independent third party.</p> <p>ACTION: Secretariat to expand to the proposed Guidance for criterion 4.1, noting the verification of EPDs by an independent third party.</p>
<p><i>Criterion 4.1 Environmental Life Cycle Assessment:</i></p> <ul style="list-style-type: none"> This Guidance shall specifically include a clause to encourage and reward active participation and contribution to industry level (country, region or global) LCA projects. Data contribution to such projects shall be encouraged and reward shall be given. The intension of such a clause is to discourage free-riding by entities and to improve the quality and representativeness of industry wide LCA information. 	<p>Added following point to Guidance</p> <ul style="list-style-type: none"> <i>Entities are encouraged to actively provide data to industry level LCA studies organized by industry groups or trade associations, to improve the quality and representativeness of industry wide LCA information.’</i> 	<p>Response accepted and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Criterion 4.2 Product Design:</i></p> <ul style="list-style-type: none"> • “Performance” indicates a comparison (temporal or spatial), suggest change to “impact” • Suggest “ ... including the environmental life cycle impacts of the end product.” 	<p>Criterion modified as follows and changes reflected in Guidance:</p> <p>4.2 Product design. <i>The [Entity], [where engaged in Semi-Fabrication, Material Conversion and/or manufacture or sale of consumer/commercial goods containing Aluminium], shall integrate clear objectives in the design and development process [for products or components] to enhance sustainability, including the environmental life cycle performance <u>impacts</u> of the end product.</i></p>	<p>Response accepted and no further changes suggested.</p>
<p><i>Criterion 4.3a Aluminium Process Scrap:</i></p> <ul style="list-style-type: none"> • 100 % scrap collection is very rarely an ecologically beneficial target, even in well controlled systems 	<p>This point was discussed by the Recycling and Material Stewardship Working Group and the example was noted of the EU Every Can Counts Initiative, which has set a voluntary based recovery rate target of 80%. There is the potential for rigid interpretation by an auditor so the proposed change is suggested:</p> <p>4.3a. <i>The [Entity] shall minimize the generation of Aluminium Process Scrap within its own operations and, where generated, target 100% of scrap for <u>maximise</u> collection, and subsequent recycling and/or re-use.</i></p>	<p>It is noted that there is a difference between process scrap versus consumer scrap and that in the case of process scrap, targeting 100% is achievable.</p> <p>Therefore criterion should remain unchanged and the response should reflect this.</p> <p>It was also noted that there was potential inconsistency in the level of detail in 4.2 and 4.3 in terms of accounting for end of life recycling and needing more cradle to grave data.</p> <p>ACTION: <i>Criterion 4.3a to remain unchanged and the response in the log to reflect this.</i></p> <p>ACTION: <i>Criteria 4.2 and 4.3 to be reviewed for consistency in terms of end of life accounting and recycling and cradle to grave analyses.</i></p>
<p><i>Criterion 4.4 Collection and recycling of products at end-of-life – Condition caveat:</i></p> <p><i>“These criteria exclude products containing Aluminium where comparative Life Cycle Assessment demonstrates that material recycling is not the best option for the environment.”</i></p> <ul style="list-style-type: none"> • The caveat could cause confusion. Reference is made to products (which is the level at which the comparative LCA should be made), but there is a difference between 2 products with same functional unit but different inputs (and the primary that is being replaced by recycled metal) and this should be made clear. E.g. there would appear to be less of a benefit to recycle a hydro-powered product than a coal fired one, but 	<p>Added more information to the caveat statement in the Guidance as follows:</p> <p>Note: <i>This criterion excludes aluminium-containing products where comparative Life Cycle Assessment demonstrates that material recycling is not the best option for the environment.</i></p> <ul style="list-style-type: none"> • <i>This can be determined through <u>comparative LCAs developed according to which go beyond the requirements of criterion 4.1.</u></i> • <i><u>Comparative LCAs need to be based on a full-life-cycle assessment and robustly prepared considering all major factors relating to inputs and impacts. To be excluded from the applicability of 4.4, an auditor would review the results of the comparative LCA which should indicate a clear result for other disposal or treatment option/s as having more favourable environmental outcomes.</u></i> 	<p>Response accepted, however where possible, examples should be added to the Guidance to illustrate this information for different parts of the supply chain. The sentence ‘go beyond the requirements of’ may also be confusing.</p> <p>ACTION: <i>Add examples to the Guidance to support the caveat for criterion 4.4 and review the above sentence and the link back to 4.1.</i></p>

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<p>understanding the impact of the primary that would be replaced (or not) by the recycled metal is also required). This is not well covered in the Guidance.</p> <ul style="list-style-type: none"> This sentence, while its intention is good, could cause confusion, mis-handling, and misuse. Comparative LCA is one of the most easy-to-be manipulated or misused tools. In theory, decision making process based on comparative LCA shall always be based on a full-life-cycle assessment and shall be very robust from all major perspectives. However, in reality, very few cases can meet such criteria. So far, LCA can only be used to assist the decision making process, not the solely tool for decision making. 		
<p><i>Criterion 4.4 Collection and recycling of products at end-of-life</i></p> <ul style="list-style-type: none"> As we have expanded the recycling strategy to all players post-casthouse we are not highlighting enough the role of brands/producers of consumer goods. This role should be highlighted more. Also is missing in the guidance document the Every Can counts organization for Europe. Recommend that this is for future standard, especially as many countries have adopted the EPR which goes beyond the ASI standard for consumer goods producers. 	<p>This was also discussed by the Recycling & Material Stewardship Working Group. The following points have been added to the Guidance for 4.4a and 4.4b, respectively:</p> <ul style="list-style-type: none"> <u>Large brands can play a very important role in raising awareness with consumers, whether acting directly with their market and/or in collaborative efforts such as through 4.4(b).</u> <u>Programs such as Every Can Counts in Europe and the UK are product-specific, and in this case aim to enable and encourage more people to recycle the drinks cans they use outside the home.</u> 	<p>Response accepted and no further changes suggested.</p>
<p><i>Material Stewardship Key Concepts - Guidance:</i></p> <ul style="list-style-type: none"> Product Environmental Footprint (PEF) is listed as a key concept but its application here is not clarified. It should be noted that this is a European Commission initiative and that the pilot study process for a wide range of products is underway (although scheduled to complete at the end of 2017). Please 	<p>Added clarification on the status. It was included as per input from the Recycling and Material Stewardship Working Group.</p> <p><u>Environmental Product Declaration (EPD) – An EPD is a verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products, based on ISO 14025 and EN 15804</u></p> <p><u>Product Environmental Footprint (PEF) – Unlike a carbon or water footprint, PEF is a multi-indicator measure of a product’s impacts using an LCA approach. A PEF study is a measure of a set of</u></p>	<p>All in agreement, however, it was unclear about the accuracy and source of the definition for ‘Environmental Product Declaration’ as it’s understood that these different schemes are not comparable. EPD Standards do not currently take an end-of-life review and therefore the term ‘and comparable’ should be removed from the definition of EPD.</p> <p>ACTION: Secretariat to review the EPD definition.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
<p>clarify the status of PEF and how it should apply here.</p> <ul style="list-style-type: none"> Reference is made here to Environmental Product Declarations (EPD) but EPD is not listed as a key concept. Include EPD as a key concept with a short description, etc. Include reference to the EN 15804 and EN 15978 standards for the sustainability assessment of construction products and buildings. 	<p><i>quantifiable environmental impacts over the life cycle of a product, including emissions to water, air and soil, use and depletion of resources and impacts from land use. PEF's are a European Commission initiative and the pilot study process for a wide range of products is underway and scheduled to complete at the end of 2017.</i></p> <p>Also added EPD as a key concept and added to 4.1b Guidance:</p> <ul style="list-style-type: none"> There is also work underway by CEN to develop approaches for the sustainability assessment of construction products and buildings based on EN 15804 and EN 15978 standards. 	
<p><i>Material Stewardship Key Concepts - Guidance:</i></p> <ul style="list-style-type: none"> Equivalencies and use of existing standards to certify the use of recycled materials, including metals. I wanted to point you towards a Recycled Content Standard that might be helpful to consider particularly for product-making companies wanting to use and claim recycled Aluminium content. 	<p>ASI has established a Benchmarking and Harmonisation Working Group that is looking at a range of equivalencies. If there are relevant standards used for recycled aluminium, please raise it with us.</p> <p>This comment has been discussed by the ASI Recycling and Material Stewardship Working Group. The ASI Standards do not specifically encompass concepts of 'recycled content', and this was agreed during the development of Version 1 of the Performance Standard. This was confirmed during a recent meeting of the ASI Standards Committee.</p>	Response accepted and no further changes suggested.

e. **Performance Standard and Guidance on Principle 5 GHG Emissions** Discuss and review updates and comments related to Principle 5 GHG Emissions in the ASI Performance Standard (Version 2, draft 3a WIP) and Performance Standard Guidance (Version 1, draft 3a WIP):

Feedback:	Comments & Proposed changes:	Discussion Notes
<p><i>Principle 5 Greenhouse Gas Emissions</i></p> <p>Add the word 'global' ahead of 'climate' as this is the more commonly used expression.</p>	<p>Changed made:</p> <p><i>Principle: Recognizing the ultimate objective established under the UN Framework Convention on Climate Change, the [Entity] is committed to reducing its Greenhouse Gas (GHG) emissions from a lifecycle perspective to mitigate its impact on the global climate.</i></p>	Response accepted and no further changes suggested.
<p><i>Criterion 5.2 GHG emissions reductions</i></p> <ul style="list-style-type: none"> Suggest considering use of Science-Based Targets (http://sciencebasedtargets.org/) for GHG emission reduction target setting. Suggested wording: <p><i>"The [Entity] shall publish time-bound, science-based GHG emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the most material sources</i></p>	<p>Added the following section to the Guidance for 5.2:</p> <ul style="list-style-type: none"> Consider using available resources such as the Science Based Targets (SBT) Initiative, a program jointly run by the Carbon Disclosure Project (CDP), World Resources Institute (WRI), WWF and the United Nations Global Compact. The SBT initiative's overall aim is that by 2020, science-based target setting will become standard business practice and corporations will play a major role in driving down global greenhouse gas emissions. The initiative: <ul style="list-style-type: none"> Showcases companies that set science-based targets through case studies, events and media to highlight the increased innovation, reduced 	<p>Response accepted and no further changes suggested.</p> <p>There was some discussion around the limitations of prescribing methodologies for setting time bound targets in the Standard and that these methodologies should be listed as suggestions in the Guidance.</p> <p>All in agreement in adding this to the guidance and that the Criteria in the Performance Standard should remain unchanged.</p> <p>It was also discussed that at present the Science Based Targets Initiative does not yet have guidance for downstream facilities or guidance specific to the aluminium supply chain. It was noted that the Greenhouse Gas</p>

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<p>of Direct and Indirect GHG Emissions. Targets shall be approved by the SBT initiative.</p>	<p><u>regulatory uncertainty, strengthened investor confidence and improved profitability and competitiveness generated by science-based target setting.</u></p> <ul style="list-style-type: none"> ○ <u>Defines and promotes best practice in science-based target setting with the support of a Technical Advisory Group</u> ○ <u>Offers resources, workshops and guidance to reduce barriers to adoption</u> ○ <u>Independently assesses and approves companies' targets.</u> <p><i>Discuss with Standards Committee that the first round of implementation of the Standard aims to set a foundation for target-setting, and incorporated the science-based approach can be considered for the next revision.</i></p>	<p>Working Group has this work as part of its terms of reference and is currently reviewing a proposal for a project to develop what the COP21 2 degree implications mean for the aluminium supply chain. This project has broad based support, subject to recommendations from the Working Group.</p> <p>GHG Working Group to continue taking the lead on developing guidance for ASI members including those in the downstream part of the supply chain.</p>
<p>Criterion 5.3 GHG emissions reductions</p> <ul style="list-style-type: none"> • The term “direct” and “indirect” emissions are loose terms that can be interpreted differently. The terms “scope 1, 2, and 3” emissions are standardized terms and do have clear definitions. The two sets of terminology do not equal to one or another in terms of boundaries. • Conflicting terminology used. “Scope” is GHG accounting terminology and scopes 1 and 2 are not equivalent to direct and indirect. Electricity related emissions would be scope 1 if under the control of the corporation; indirects are more than scope 2, so suggest revised wording as at right • Scopes 1 and 2 are not equivalent to direct and indirect, but their definition refers to which actor is in control of these emissions 	<p>Agree, and just Scope 1 and Scope 2 are now used. Have clarified this issue by deleting 'Direct and Indirect' and using Scope 1 and 2 instead and as noted in the Guidance. For example 5.3b is now:</p> <p><i>5.3b [For Aluminium smelters in production up to and including 2020], demonstrate that the Direct and Indirect <u>Scope 1 and Scope 2</u> GHG emissions (Scope 1 and Scope 2) from the production of Aluminium is at a level below 8 tonnes CO₂-eq per metric tonne Aluminium by 2030</i></p> <p><i>Discuss Standards Committee.</i></p> <p>There is a lot of detail in the Guidance as to how the calculations are to be consistent across various entities and operational set-ups.</p>	<p>Response accepted and no further changes suggested, noting that this approach is also used in criterion 5.2.</p>
<p>Criterion 5.3 GHG emissions reductions</p> <ul style="list-style-type: none"> • Add the word ‘total’ to 5.3b ahead of GHG emissions. 	<p><i>5.3b [For Aluminium smelters in production up to and including 2020], demonstrate that the {total} Direct and Indirect <u>Scope 1 and Scope 2</u> GHG emissions (Scope 1 and Scope 2) from the production of Aluminium is at a level below 8 tonnes CO₂-eq per metric tonne Aluminium by 2030</i></p> <p><i>Discuss Standards Committee.</i></p> <p>Adding ‘total’ is probably redundant and</p>	<p>Response accepted (to omit ‘total’) and no further changes suggested.</p>

Feedback:	Comments & Proposed changes:	Discussion Notes
	including it may imply that averaging across smelters is permitted, which was agreed to not be the case.	

- At this point the meeting time was over so it was agreed to continue the remaining comment relating to Principle 5 at the next teleconference.

4. AOB

- a. No other business.

5. Next Committee teleconferences:

- a. Next meeting:
 - *Tuesday 26 September 2017 (remaining comments in Principle 5 plus Principles 6, 7 & 8)*
- b. Remaining meetings for 2017:
 - Tuesday 10 October 2017 (Principles 9, 10 & 11) & outstanding actions
 - Wednesday 26 October 2017 – Target finalisation of normative documents for Board endorsement (and translation)
 - Wednesday 6 December 2017 – Work planning for 2018
 - It was proposed and agreed that an additional meeting Tuesday 21 November 2017 was prudent if required to achieve the work plan for 2017.

Action: *A meeting invitation will be sent to the Committee for an additional meeting (if required) for Tuesday 21 November 2017.*