

ASI Standards Committee – Minutes – Teleconference

Date: 29 August 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: Adam Lee (IndustriALL Global Union), Bjoern Kulmann (Ball), Catherine Athenes (Constellium), Giulia Carbone (IUCN), Jean-Pierre Mean (Independent anti-corruption expert), Jerome Lucaes (Rusal), Josef Schoen (Audi), Justin Furness (Council for Aluminium in Building), Justus Kammuller (WWF), Karl Bath (BMW), Marcel van der Velden (Arconic), Philip Hunter (Verite), Roland Dubois (Rio Tinto Aluminium), Robeliza Halip (Asia Indigenous Peoples Pact), Stefan Rohrmus (Schueco), Tom Maddox (Fauna and Flora International).

ASI Secretariat: Fiona Solomon, Krista West, Sam Brumale

Proxies: None

Apologies: Brenda Pulley (Keep America Beautiful), Christophe Boussemart (Nespresso), Jostein Soreide (Norsk Hydro), Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname), Neill Wilkins (Institute for Human Rights and Business), Rosa Garcia Pineiro (Alcoa)

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 26 July 2017 v2
3. Updated Log of Feedback and Comments from 2017 Public Consultation (16 August 2017)
4. ASI Chain of Custody Standard (draft 5)
5. ASI Chain of Custody Standard Guidance (draft 3)
6. ASI Claims Guide (draft 6)
7. Alternate Form [Word]
8. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Discuss and review the updated CoC Standard (draft 5) and Guidance (draft 3) with comments from the 2017 public consultation.
3. Discuss and review the updated ASI Claims Guide (draft 6) with comments from the 2017 public consultation.
4. Discuss and review comments from the 2017 public consultation about the ASI Fact Sheet

Items discussed:

1. Preliminaries

- a. Welcome to Adam Lee, Director for Campaigns, Organizing and Base Metals, IndustriALL Global Union as a new Standards Committee member and new ASI Civil Society member. IndustriALL work to improve labour standards in the aluminium supply chain.
- b. Apologies were noted.
- c. It was **RESOLVED** to accept minutes of previous teleconference meeting held on 26 July 2017 (*version 2*).
- d. Review of Actions Log noting all actions closed, except:
 - Action 77 relating to convening a biodiversity working group later this year.
 - Action 87 regarding Assurance Manual revisions.

Feedback about Action 86 raised during the previous meeting about independence and auditor integrity options was presented.

- A review of similar certification schemes (RJC, FSC, PEFC, ISO Standards, SA 8000, etc.) revealed that commercial terms are commonly between the organisation seeking certification and the auditor
- It was noted that the Bettercoal scheme arranges the audits (assessments) on behalf of its members and their coal suppliers and pays the auditors directly. However this is not a certification scheme and it only applies to the utilities part of the sector. Further, this arrangement has not necessarily eliminated concerns about independence and auditor integrity.
- ASI's Oversight Mechanisms has been designed to uphold audit integrity and credibility through:
 - Multistakeholder development of the ASI Assurance Manual which is accessible to all
 - Proxy Accreditation Requirements (ISO/IEC 17021 and/or to ISO/IEC 17065)
 - Accreditation Body compliance with ISO/IEC 17011
 - Auditor Competence and ASI Training
 - ASI Secretariat checks of audit teams, plans and reports
 - Witness Audits of CAB's and individual auditors
 - ISEAL Compliance Audits (on our system)
 - Independent Accreditation Review Panel and
 - ASI Annual Performance Report and other periodic reports.

2. Standards Committee Update

- a. The 2017 Indigenous Peoples Advisory Forum (IPAF) Meeting was successfully held in July in Nhulunbuy (Gove), Australia, hosted by the Gumatj Aboriginal community. The group visited Aboriginal businesses and training enterprises, the Rio Tinto bauxite mine and rehabilitation areas, and provided feedback on the draft Performance Standard Guidance re indigenous issues. Discussion included:
 - Feedback about the Performance Standard and chapter 9 Guidance
 - Review of FPIC, Area of Influence and Associated Facilities
 - IPAF representatives to Standards Committee
 - 2018 IPAF meeting
 - A meeting report and action plan has been drafted and are being reviewed by IPAF, and will be submitted soon.
 - The 2018 IPAF meeting will be held in Suriname towards the end of March.
 - Robie and Marie-Josée will remain as members of the Standard Committee, and Gina Castelain has been nominated as an alternate. At the 2018 IPAF meeting, one of the current members will resign and one will stay on, and a new representative nominated.

ACTION: Request to members to provide contacts for Indigenous organizations they are engaged with so that IPAF can invite them to join.

3. ASI Normative Documents and Public Consultation

- a. **Public Consultation Plan:** Update about plan for Standards Committee review of comments received from the 60 day 2017 public consultation.

Date	Document	Sections	Status
26 July 2017	Assurance Manual	Based on comments	Previous meeting - follow-up actions
29 August 2017	<ul style="list-style-type: none"> CoC Standard & Guidance Claims Guide Fact Sheet 	Based on comments	Today's meeting
13 September 2017	Performance Standard & Guidance	1. Business integrity	Next three meetings
		2. Policy and management	
		3. Transparency	
		4. Material stewardship	
26 September 2017		5. Greenhouse gas emissions	
		6. Emissions, effluents and wastes	
10 October 2017		7. Water	
		8. Biodiversity	
		9. Human rights	
		10. 10 Labour rights	
		11. 11 Occupational health and safety	
	Outstanding actions	As required	

- b. **Chain of Custody Standard and Guidance** – Discussed and reviewed the updated ASI Chain of Custody Standard (draft 5) and CoC Guidance (draft 3) based on public consultation feedback.

Feedback	Proposed ASI response and/or changes	Comments/Outcome
<p><i>Criterion 1.4:</i> Clarity around requirements for management system representatives.</p>	<p>Criterion modified as follows (minor change from the version circulated):</p> <p><i>1.4 The Entity shall nominate at least <u>one</u> management representative/s as having overall responsibility and authority for the Entity's compliance <u>conformance with all applicable requirements of the CoC Standard.</u></i></p> <p>This is consistent with similar comments about Performance Standard criterion 2.2 which also requires management representatives to be appointed.</p>	No further changes suggested.
<p><i>Criteria 2.5, 9.6 & 10.4:</i> Actions to be implemented that prevent a recurrence of reconciliation errors between:</p> <ul style="list-style-type: none"> Entity and Outsourcing Contractor for shipped & returned CoC Material (criterion 2.5) Entity and the receiving party of shipped CoC Material (criterion 9.6) <p>Entity and supplying party</p>	<p>Following phrase added to criteria 2.5, 9.6 and 10.4:</p> <p><u>".... and implement actions to avoid a recurrence"</u></p> <p>For example:</p> <p><i>2.5 If an error is discovered after CoC Material has been shipped, the Entity and the Outsourcing Contractor shall document the error and the agreed steps taken to correct it, <u>and implement actions to avoid a recurrence.</u></i></p> <p>The following added to Guidance</p>	No further changes suggested.

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<p>of received CoC Material or Eligible Scrap (criterion 10.4)</p>	<p>(respective sections): <u>The cause of the error should be investigated and appropriate corrective actions identified and implemented. These should aim to address the root cause of the error/s in order to prevent future recurrences. Implementation of these corrective actions should also be reviewed for effectiveness.</u></p>	
<p><i>Criteria 4.2a and Due Diligence:</i></p> <ul style="list-style-type: none"> Recovery and refining of aluminium from dross and slag is an important part of the sustainable production of secondary aluminium. Eligible Scrap status and due diligence requirements for Entities sourcing dross and treated dross residue for recovery of Aluminium is unclear. 	<p>Criterion modified as follows: <i>4.2 An Entity engaged in Aluminium Re-melting/Refining shall account for Eligible Scrap in their Material Accounting System as only:</i> <i>a. Pre-Consumer Scrap that is designated as CoC Material supplied directly from a CoC Certified Entity or Aluminium recovered from Dross and treated Dross residues that is subject to supplier due diligence as per section 7:</i></p> <ul style="list-style-type: none"> Aluminium refining (in the Guidance intro to section 4) includes processing of dross and salt slag and this has also been clarified in the Glossary definition: Processes for recycling aluminium process scrap and used aluminium products, which may include processes to improve the quality of secondary aluminium by removing unwanted elements or impurities. <u>In this context, Aluminium refining includes recovery and refining of aluminium from Dross and Dross residues such as slag.</u> Clarification added to Guidance and the following text has been added to the CoC Guidance Under 4.2(a), <i>Pre-Consumer Scrap can only be CoC Material if:</i> <ul style="list-style-type: none"> <u>It is Aluminium from Dross and treated Dross residues. This material is included as Eligible Scrap in support of the ASI Performance Standard, which specifically seeks to maximise recycling of these materials using additional and often more complex processing to recover Aluminium. These inputs must be subject to supplier due diligence as per section 7 of the CoC Standard. Note that Dross</u> 	<ul style="list-style-type: none"> All in agreement in the principle of ensuring this Aluminium is explicitly captured within the ASI system. While the volumes generated globally are relatively small, this does provide another input of ASI CoC Material and helps incentivize recycling of this material. Question raised that material recovered from Dross, while generated during production process, could perhaps be considered by some as more an ‘end-of-life waste’ rather than pre-consumer scrap? It could potentially be included as a new category entirely. Identified that there is a difference between internal recovery of aluminium from Dross versus from processors outside of the Casthouse and this should be clarified and added to Guidance. <p>ACTION: Add clarification including a diagram to the Guidance, about internal and external recycling and recovery of Aluminium from dross.</p>

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	<p><u>processors could also be CoC certified in their own right.</u></p>	
<p><i>CoC Guidance Chapter 6 Post Casthouse Entities:</i></p> <ul style="list-style-type: none"> Order in which a Post Casthouse Entity gets Performance Standard Certification and CoC Standard. Clarification about the more flexible timeframe for Post Casthouse Entities. 	<p>The following clarification has been added regarding the sequence for Certification of the Standards:</p> <ul style="list-style-type: none"> <i>Introduction in Chapter 6 Post Cast House Entities:</i> <i>Post-Casthouse Entities and/or Facilities are given a more flexible timeframe for achieving ASI Certification against the Performance Standard, than Entities up to and including the Casthouse <u>which must be Certified against the Performance Standard before or at the same time as their CoC Certification.</u></i> Guidance for criterion 6.1 <i>Post-Casthouse Entities that produce 'ASI Aluminium' must also be committed to achieving certification against the ASI Performance Standard. A longer timeframe (i.e. it does not need to be achieved before CoC Certification) is given for this certification to be achieved than for Entities up to and including the Casthouse, given that the initial focus for Post-Casthouse Entities may be on responsible sourcing.</i> 	<p>Question was raised as to whether 'certification against the Performance Standard' was sufficiently clear on the variable applicability of individual criteria, depending on supply chain activities.</p> <p>ACTION: Add further clarification that certification against the Standard means against the 'applicable components of the Standard'.</p> <p>Question was raised as to the longer timeframe for Post-Casthouse entities, and whether claims can still be made.</p> <p>ACTION: Add further clarification regarding the 'more flexible timeframe' for Post-Casthouse Entities getting CoC Certification to also achieve Performance Standard Certification.</p>
<p><i>CoC Guidance Chapter 6 Post Casthouse Entities:</i></p> <ul style="list-style-type: none"> Need clarification about how performance Standard applies to Post Casthouse Entities. 	<p>The applicability of the Performance Standard criteria are defined within the Standard according to the Certification Scope and supply chain activities of the Entity. The CoC Standard requires that the Entity doing CoC needs to be covered by Performance Standard certification, so the Scopes will need to overlap. For clarification, the following note has been added to p39 of the Guidance: <u>(Note that additional aspects of the Performance Standard may apply to Post-Casthouse Entities depending on the supply chain activities included in their Certification Scope).</u></p>	<p>No further changes suggested.</p>
<p><i>CoC Guidance Chapter 8 Material Accounting Systems:</i></p> <p>Guidance regarding the tolerance on the tonnages to support the material accounting of CoC material is required. The accuracy should be up to the Entity but some guidance will help ensure</p>	<p>The following guidance has been added to Chapter 8: <u>Members and auditors should define appropriate tolerances by taking into account, for example:</u></p> <ul style="list-style-type: none"> <u>Accuracy of scales, for example calibration to the nearest 1 tonne, or 1kg.</u> <u>Requirements of customers (internal or external)</u> <u>Normal industry practice</u> 	<p>No further changes suggested.</p>

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Entities and Auditors have this common understanding.		
<p><i>CoC Guidance Chapter 8 Material Accounting Systems:</i></p> <p>Clarification of what can be mixed with CoC Material over a defined period at any stage in the supply chain</p>	<p>Added '<u>and Non-CoC Materials</u>'.</p> <p>"A Mass Balance System allows for CoC <u>and Non-CoC Material</u> to be mixed over a defined period, and at any stage in the supply chain."</p>	No further changes suggested.
<p><i>CoC Guidance Chapter 8 Figure 14 and table mass flows:</i></p> <p>Clarification on which figures are calculated</p>	The figures which have been calculated are now italicised for clarity.	No further changes suggested.
<p><i>Criteria 8 (Mass Balance System), 9 (Issuing CoC Documents), Appendices and Glossary:</i></p> <ul style="list-style-type: none"> • Possibility for confusion in use of terms "Input Quantity" and "Output Quantity", with reference to "by weight", including: <ul style="list-style-type: none"> – "quantity" could be defined by value or other metric, unless categorically mass-based, in which case use term mass not quantity. <p>Glossary references units of weight</p>	<p>Have changed references from 'weight' to 'mass'.</p> <p>Have retained use of 'Quantity' because in some circumstances an item count could be recorded in a Material Accounting System (e.g. shipments of final products).</p>	No further changes suggested.
<p><i>Glossary:</i></p> <ul style="list-style-type: none"> • GHG definition very short. 	Definition from Performance Standard has been added to the Glossary in the CoC Standard and the Guidance.	No further changes suggested.
<p><i>Due Diligence:</i></p> <ul style="list-style-type: none"> • Further clarification about CoC Due Diligence requirements (criteria 7) including overlap with differing level of guidance for Performance Standard Criterion 2.4 about Responsible Sourcing. • Describe Due Diligence in a consistent way in the CoC standard and the CoC guidance document and clearly define for which 	<p>Some addition to the Guidance (as noted previously).</p> <p>Perf. Std. Criterion 2.4 relates to a policy whereas CoC Std. criterion 7.1 requires other aspects noted under 7.1 and underpins claims about responsible sourcing/ aluminium used in products etc., in accordance with identified risks in global supply chains.</p> <p>The depth of approach to due diligence should be risk-based, and will vary across organisations.</p> <p>ASI plans to develop specific training on</p>	No further changes suggested.

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materials it is applicable.	due diligence for members and auditors.	
<p><i>Due Diligence:</i></p> <ul style="list-style-type: none"> Clearly specify that non-coc material suppliers do not become ASI certified after the due diligence process, and that the material supplied is not becoming CoC material. 	<p>Some addition to the Guidance (as noted previously) including the introduction in Chapter 6 to clarify the Due Diligence requirements and addition of the following note:</p> <p><u><i>Note that Non-CoC Certified suppliers do not become ASI certified or 'recognised' after an Entity's due diligence process</i></u></p>	No further changes suggested.
<p><i>Due Diligence:</i></p> <p>Recommended to include Due diligence for bulk raw materials like coke, pitch and cryolite required to produce COC Material-Primary aluminium.</p>	<p>That might be something ASI looks at in future but it is not currently the focus of the CoC Standard. However when implementing the Performance Standard, the responsible sourcing policy and human rights due diligence process can certainly be extended to cover these raw materials.</p> <p>This has been added to the Performance Standard Guidance (criterion 2.4 Responsible Sourcing Policy).</p>	No further changes suggested.
<p><i>Mass balance System:</i></p> <p>Pre-consumer scraps can be allocated as recycled aluminium or not. A reference to ISO 14021 regarding the use of recycled should be done and therefore that scraps generated in the same process it will be recycled should not be considered as recycled.</p>	<p>The CoC designation is not equivalent to recycled status of material. These quantities of inputs are recorded in the Material Accounting System so they can be audited as per the applicable requirements in the Standard. These quantities of eligible inputs are recorded as CoC Material, not 'recycled material'. Section 4 is about the eligibility of these different kinds of inputs to be called 'CoC'. If primary CoC material is also sourced, this comes under the Casthouse section (5) and these criteria would apply. In section 8 (Mass Balance), all CoC inputs would need to be recorded (8.1), plus the breakdown in 8.2 by type as per your extract.</p>	<p>Noted that draft response to the comment did not specifically address the ISO reference.</p> <p>ACTION: <i>Address the second comment regarding ISO 14021(received during the public consultation).</i></p>
<p><i>Mass balance System:</i></p> <p>The Recycled Aluminium: Criteria for Eligible Scrap and ASI Liquid Metal - "Pre-Consumer Scrap that is designated as CoC Material supplied directly from a CoC Certified Entity. This doesn't prevent a company to consider internal scraps as recycled aluminium, while according to ISO such internal scraps</p>	<p>Under the CoC Standard, this kind of material is continuing its status as CoC Material from when it was an input, so that this status is not lost once some of it becomes scrap. This aims to address the issue of material loss from the CoC chain, particularly in processes that have high scrap generation and internal recycling.</p>	No further changes suggested.

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should not be considered as recycled material”		
<p><i>Market Credits System:</i> The due diligence process applies between the smelter and the user required by the mass balance system but not by users of Market Credits. This means that the end user could be buying controversial material and have market credits at the same time.</p>	<p>Section 7 on due diligence applies to all Entities applying the Standard, even if they are only buying Market Credits and no CoC Material. This is the mitigation measure for this point.</p>	<p>No further changes suggested.</p>
<p><i>Market Credits System:</i></p> <ul style="list-style-type: none"> • The market credit system should be a transitory tool: The limitation in time of 5 years is too long. • The 5 years limitation is a way to minimize this option that we believe is not the right way to answer the issue of complex value chains. It also paradoxically implies that semi-fabrication is not really the issue since it can be skipped while having semis bearing the same standard criteria than the whole upstream sector (except a few criteria). • We could accept a Market Credit System with a time-bound limitation of two years. After this period, we highly recommend to only accept the mass-balance approach. 	<p>The Standards Committee had extensive discussion of this issue, as the way to approach the desire for enabling access and then encouraging transition to a mass balance model. Many other CoC Certification programs have recognised the importance of using multiple models, including a 'credits' type system. Rarely do they put these kinds of time limits on implementation, because new users continue to enter the system. ASI will collect data on implementation of both models during the 5 year period the first version of the CoC Standard will be in effect, enabling informed decision-making for the next revision. So the 5 year period has been set to align with the expected life of the standard, and to enable time for a transition to mass balance to occur.</p> <p>We will gather information over the five year period in order to make an informed decision during the next revision period.</p>	<ul style="list-style-type: none"> • A new comment was raised as to whether there was a discrepancy in not allowing Semi-Fabrication entities to issue credits, given that the Performance Standard is framed around addressing risks in these activities to the same level as for mining, refining and smelting / recycling / casthouses. • It was noted that in drafting the CoC Standard in 2016, this option was considered. However the Secretariat took the view that it would introduce additional control risks and complexity. <p>ACTION: <i>Secretariat to prepare a separate discussion paper on potential pros and cons of the proposal to allow Semi-Fabrication entities to issue market credits, for Committee review.</i></p>
<p><i>Market Credits System:</i> From 11.1: ASI Credits are allocated and issued within a Material Accounting Period. A Positive Balance of ASI Credits shall not be carried over to a subsequent Material Accounting Period. However 8.11 on Positive Balances allows for CoC Material to be carried over to the subsequent</p>	<p>The only carry-over balance that is allowed is in the form of ASI Aluminium not Credits. Credits can't be 'stockpiled'. A Casthouse with 'excess' material may hold it in the form of ASI Aluminium in their Material Accounting System so as to avoid Credits expiring.</p>	<p>No further changes suggested.</p>

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Material Accounting Period, for later allocation to ASI Credits. Are these contradictory?		
<p><i>Harmonisation and equivalencies:</i></p> <ul style="list-style-type: none"> Member organizations' having mature systems (e.g. over 5 years with 9K, 18K and 14K certifications) may be exempted from surveillance audits. CoC to be linked to ISO 9001. 	<p>This is captured in the Maturity model in the Assurance Manual, which is looking to differentiate the relative risk and maturity of entities along these lines. High Maturity entities would be exempt from surveillance audits in most circumstances.</p> <p>We already have ISO 9001 links noted in the Guidance, chapter 1:</p> <p>Further the ASI Benchmarking and Harmonisation Working Group are considering this point. Note however that the scope of the ISO 9000 certification would need to align with the material accounting processes covered under the CoC Standard, and the auditor would still need to verify this. ISO 14000 (environment) or OHSAS 18001 (health and safety) are unlikely to address the key aspects of the CoC Standard. These are however linked to the relevant parts of the ASI Performance Standard.</p>	No further changes suggested.
<p><i>Harmonisation and equivalencies:</i></p> <p>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>	<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', however it will be further discussed by the ASI Standards Committee.</p>	No further changes suggested.

- c. **ASI Claims Guide** – Discuss and review updated ASI Claims Guide (draft 6) based on public consultation feedback.

Feedback	Proposed ASI response and/or changes	Comments/Outcome
<p><i>Claims by Certified Members</i></p> <ul style="list-style-type: none"> The standard must be in the claim, otherwise, clients might think that the company is ASI certified to both standards, e.g. 	<p>Change actioned, for example: <i>[Member/entity name] has achieved <u>ASI Performance Standard Certification</u> across its business.</i></p>	No further changes suggested.

Feedback	Proposed ASI response and/or changes	Comments/Outcome
<ul style="list-style-type: none"> “[Member/entity name] has achieved ASI Certification across its business. [Member/entity name] is an ASI Certified Member.” 		
<p><i>Claims by Certified Members</i></p> <ul style="list-style-type: none"> Can we speak about % of total purchase instead of kg/tonnes? If yes, who verifies this %, e.g. <p>“Member/entity name] sourced [x kg/tonnes] of ASI Credits in 2018. This supports responsible production of ASI Aluminium.”</p>	<p>Have added this example (minor change to the version circulated):</p> <ul style="list-style-type: none"> <u>[Member/entity name] sourced ASI Credits which is equivalent to [x%] of our total aluminium purchased in 2018.</u> <p>All claims can be verified by third party auditors.</p>	<ul style="list-style-type: none"> Comment that this could be confusing if the claim is seen as potentially similar to a mass balance type claim. The reason why this type of claim (i.e. a % versus a mass) would be used is to protect commercial confidentiality of sourcing volumes. <p>ACTION: <i>Secretariat to research how other schemes approach claims on credits in relation to amounts / equivalency.</i></p>
<p><i>7.3 Reporting and Renewals</i></p> <p>There should be a sentence describing that if the claim is not renewed, it must be removed from any website not later than 1 month after the end of the approved claim</p>	<p>The following has been added:</p> <p><u>If the claim is not renewed, it must be removed from the Entity’s website promptly and no later than 1 month after the end of the approved claim validity. Without a current claim approval, no on-product claims can be produced.</u></p>	<p>No further changes suggested.</p>
<p><i>ASI CoC Certification related claims:</i></p> <ul style="list-style-type: none"> What are claims about ‘other materials’, e.g. “Any claims about ASI Aluminium (or other material)” <p>There are no examples of claims for ASI CoC Certification – on product claims</p>	<p>This has been clarified as:</p> <ul style="list-style-type: none"> <u>‘or other CoC Material e.g. bauxite, alumina or aluminium-containing products etc.’</u> <p>The table describes examples/general description of what would fall into this category. For on-product claims, this would likely be a logo or similar. Certification logos are currently being developed and the ASI Style Guide will be updated accordingly referenced in section 8.</p>	<p>No further changes suggested.</p>
<p><i>Claims by Non-members</i></p> <ul style="list-style-type: none"> Change section 2.5 2nd dot point to: <p>Organisations with a non-Controlling interest in a joint venture or similar arrangement that is covered by ASI Certification. The Entity in Control of the joint venture would need to be an ASI Member in order to seek and</p>	<p>Change actioned and this will also be done in the Assurance Manual.</p>	<ul style="list-style-type: none"> Question regarding whether Control related to the majority of shares or management of the entity. Response that both are referenced as types of Control in the ASI Glossary definition. (This was also discussed as part of the last item in this table.)

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achieve Certification (in a jointly controlled JV, only one of the controlling parents needs to be an ASI Member for this purpose).		
Further clarification of claims permitted and not permitted by non-members	<p>Further examples of claims permitted and not permitted added to Claims Guide.</p> <p>Clarification of follow-up action for non-complying claims by non-members.</p>	No further changes suggested.
<p><i>Approvals for Claims</i></p> <p>Is there any governance described to validate / reject a claim?</p>	<p>ASI CEO can validate and/or reject claims, in accordance with the principles laid out in this Guide. The ASI CEO has delegation from the Board to make these decisions.</p> <p>In some circumstances, it may come through a formal Complaints Mechanism, in which case that process would apply.</p> <p>In some circumstances, the CEO would seek input from ASI legal counsel, the ASI Legal Committee and/or ASI Board.</p>	No further changes suggested.
<p><i>Glossary:</i></p> <ul style="list-style-type: none"> • <i>Change definition of 'Control' point 1 to:</i> <p><i>"1. Direct or indirect majority ownership, or Control (alone or pursuant to an agreement with other Members) of 50% of more of the voting (delete 'equities') rights (or equivalent) of the Controlled business or Facility; and/or"</i></p>	<p>Change actioned and will be mirrored in all normative documents.</p>	<ul style="list-style-type: none"> • The definition of Control has been reviewed by the ASI Legal Committee and the additions tabled were actions from that review. • As noted above, discussion confirmed that entities with less than 50% ownership but day-to-day management control may still be considered in 'Control' and therefore responsible for implementing the Standard. • The full definition of 'Control' in the ASI Glossary is: <p><i>Control by an Entity consists of:</i></p> <ol style="list-style-type: none"> 1. <i>Direct or indirect majority ownership, or Control (alone or pursuant to an agreement with other entities) of 50% of more of the voting rights (or equivalent) of the Controlled business or Facility; and/or</i> 2. <i>Direct or indirect (including pursuant to an agreement with other entities) power to remove, nominate or appoint at least half of the members of the Board of the directors or management (or equivalent of the Controlled business or Facility); and/or</i> 3. <i>Day-to-day executive management of the Controlled business or Facility such as by setting workplace standards and enforcing their application; or</i> 4. <i>Any legally recognised concept of</i>

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		<p>'Control' analogous to those described in (1) to (2) above in a relevant jurisdiction.</p> <p>5. Although the above defines 'Control' in a corporate context, the same principles will apply by analogy to other organisational arrangements, including franchisees, licensees and Control by an individual or a family, where applicable.</p>

- c. **ASI Fact Sheet Comments** – Comments received during the public consultation about Performance Standard applicability based on Membership class and Certification Scope discussed, including:

Feedback	Proposed ASI response and/or changes	Comments/Outcome
<p><i>Membership Class:</i> Enabling companies to choose between industrial users and production transformation leaves the door open to potential fairness issues between companies, also at the governance level.</p>	<p>The membership class is chosen when joining. The parts of the standard which apply then relate to supply chain activities within a given Certification Scope.</p> <p>The matter will be considered in the planned governance review in 2018/2019.</p>	<p>No further changes suggested.</p>
<p>The definition of industrial user seems to exclude packaging companies.</p>	<p>Packaging falls under 'Material Conversion' (see definition above). In the definition of Industrial Users, Material Conversion is noted as an activity that could fall under either P&T or IU. For example, Ball is a P&T member, while Tetra Pak is a now an IU member.</p>	<p>Question as to whether the ASI Governance Handbook is now consistent with the other documents that have been developed to address the issues of membership classes/supply chain activities e.g. the Fact Sheet.</p> <p>ACTION: Secretariat to confirm that the Governance Handbook is consistent with the Assurance Manual and Fact Sheet.</p>
<p>It is not clear in which category forged products for automotive applications fall. Should they be material conversion, then the fair level playing field is raised between extruded/rolled and cast products. Clarify what happens to specific forged products such as wheels. Determine their belonging to P&T or IU according to rules found.</p>	<p>Forging was included in the Material Conversion definition as follows:</p> <p>Material Conversion: Further processing (for example cutting, stamping, bending, joining, forging, product casting, packaging production etc.) of Casthouse Products or semi-fabricated aluminium products, into products or components that are used in or sold for final assembly or filling and sale to end consumers.</p> <p>These activities do not 'belong' to P&T vs IU because material conversion has the choice of being within either membership class.</p>	<p>No further changes suggested.</p>

Feedback	Proposed ASI response and/or changes	Comments/Outcome
<p>When a company applies under industrial user but also performs P&T activities but is not solved the other way around. If a P&T producer performs Industrial user activities, it will apply the whole standard.</p>	<p>The original intention of opting in to P&T was about applying more of the Standard, as discussed during the development of ASI's governance model and Constitution. Thus the minimum requirement for a P&T member is certification of at least one facility/business against the all the applicable parts of the Perf Standard (i.e. more than Material Stewardship).</p>	<p>A proposal to consider explicitly noting in the Assurance Manual/Fact Sheet that a Certified P&T Entity could also segregate some 'Industrial User' facilities/business into an additional / separate Certification Scope was proposed.</p> <ul style="list-style-type: none"> • There was support for this proposal. • It was clarified that Entities would not need to become a member twice. The Entity would instead elect to have more than one certification scope / certifications. <p>ACTION: Secretariat to add this as an example of certification scope in the Assurance Manual and Fact Sheet.</p>

4. AOB

a. Update on Pilot:

- Quite a number of self-assessments have been initiated (see August 2017 newsletter).
- People are looking at functionality of elementAI; there have been lots of request to add new users; and good suggestions and feedback about potential improvements.
- Two training webinars have been completed and two additional are upcoming.
- Secretariat has been working on development of the Auditor Dashboard.

5. Next Committee Teleconference/s

- **Wednesday 13 September - Performance Standard Feedback (Principles 1-6)**
- Tuesday 26 September 2017 (Principles 7 & 8)
- Tuesday 10 October 2017 (Principles 9-11 and any outstanding actions)