ASI Standards Committee – Minutes – Teleconference

Date: 6 December 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: Jostein Soreide (Norsk Hydro)

Committee Members: Catherine Athenes (Constellium), Justin Furness (Council for Aluminium in Building), Justus Kammueller (WWF), Bjoern Kulmann (Ball), Jean-Pierre Mean (Independent anti-corruption expert), Rosa Garcia Pineiro (Alcoa), Josef Schoen (Audi), Stefan Rohrmus (Schueco), Marcel van der Velden (Arconic).

Alternates: Nicole Funk – alternate for Karl Barth (BMW), Aleksey Spirin – alternate for Jerome Lucaes (Rusal), Pippa Howard – alternate for Tom Maddox (Fauna and Flora International).

Proxies: Adam Lee (IndustriALL Global Union) – nominated Justus Kammueller (WWF) as proxy, Christophe Boussemart (Nespresso) provided proxy form, Giulia Carbone (IUCN) – nominated Justus Kammueller (WWF) as proxy, Roland Dubois (Rio Tinto) – nominated Rosa Garcia Pineiro (Alcoa) as proxy.

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

Apologies: Annemarie Goedmakers (Chimbo Foundation), Philip Hunter (Verite), Brenda Pulley (Keep America Beautiful), Marie-Josee Artist (VIDS - Association of Village Leaders, Suriname), Neill Wilkins (Institute for Human Rights and Business), Robeliza Halip (Tebtebba Foundation).

Invited: None

Documents circulated:
1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 29 November 2017 v2
3. Action 124 – Post Launch Workplans for Biodiversity and No-Go Areas V2 (same version as previously circulated)
4. Alternate Form [Word]
5. Proxy form for this meeting [Word]

As for all Standards Committee Teleconferences, the PowerPoint presentation slides were also circulated.

Meeting objectives:
1. Adopt minutes of the previous meeting.
2. Continue to discuss and review the post launch Workplan options for biodiversity and no-go areas.
3. Discussion Standards Committee activities and focus areas for 2018.
Items discussed:

1. Preliminaries
   a. Welcome.
   b. Apologies and proxies received as noted.
   c. **RESOLUTION** to accept minutes of previous teleconference meeting held on 29 November 2017 (version 2).
   d. Review of Actions Log:
      - Action 124 about the post launch Workplans to be discussed in item 3a.
      - Action 130 closed as the Board has been notified about the Committee’s recommendation to retain the current Draft 2 wording (without ‘dependencies’) with a shorter revision period (suggested as 2 years)
      - Action 131 also closed as the Claims Guide has been updated as agreed.

2. Standards Committee Update
   a. ASI Accredited Auditor Update:
      - As a follow-up from the previous meeting, confirming that the scope for the ASI Accredited Auditor Bureau de Normalisation du Québec (BNQ) includes both the ASI Performance Standard and the ASI Chain of Custody Standard for audits in Canada, USA, Australia, France and the UK.
      - The Secretariat is currently processing applications for:
        - GlobalGroup now known as International Associates
        - SMT Global
        - Control Union certification
      - Two more applications are expected prior to Christmas.
      - There is no deadline for auditors to apply to be accredited; firms and their scope will be posted to the website as they are approved.
      - If there is a gap in geographic scope covered by currently accredited firms, members are encouraged to work with certification firms they may have a relationship with already to encourage them to apply for ASI accreditation.

3. Planning the 2018-2022 Activities and Focus Areas:
   a. **Action 124: Post Launch Workplans (Biodiversity)** – Continued the discussion from the previous teleconference regarding the Workplan options regarding biodiversity and expansion of no-go areas as per the paper (as circulated in November).

      The Secretariat presented the following:
      - Workplan 1 summary:
        - Standard Committee to convene a Biodiversity Working Group, as already agreed, with relevant expertise and agree terms of reference for a 2 year workstream (2018-2019)
        - The Biodiversity WG would explore all relevant issues raised to date, including expansion of no-go areas, ecosystem services and legally protected areas, in preparation for the next major revision
        - Next major revision process to take place with the Standards Committee during 2020-2022.
      - Workplan 2 summary:
        - Standards Committee to convene a time-bound (end-date to be determined) Working Group on the issue of the “Expansion of Criterion 8.4 – Commitment to “No Go” in World Heritage Properties”, with relevant expertise, a potential neutral facilitator (if resources available), and agree terms of reference (2018).
        - Standards Committee to agree on a retrospective “Cut-Off” date for “No Go” areas before the launch of the ASI Standard V2 (see “Assumptions” section).
Major revision for change to “No Go” criterion 8.4 to occur in 2018 with the aim to have an approved criterion 8.4 by end of 2018.

Major revision of whole Performance Standard (including incorporating other biodiversity criteria reviewed by WG) to commence in 2019 and be completed by 2021.

Where there seems to be agreement:
- Establishment of a Biodiversity and Ecosystem Services Working Group with multi-stakeholder expertise to address these aspects, including IPAF representation
- Future revision of the Performance Standard to address:
  - Inclusion of ecosystem services in next revision
  - Development of Guidance on methodologies etc based on output from studies and outcomes of Working Group deliberations.
- Conduct of studies:
  - Map of bauxite mining and protected areas
  - Benchmarking of ASI Biodiversity requirements with other schemes (for the whole supply chain)

Other points and references noted included:
- Review how companies (bauxite mining and others in the supply chain) have conducted or tested inclusion of ecosystem services as part of the biodiversity assessment:
  - Alcoa’s experience
  - ICMM report Review of the ICMM Members’ biodiversity Performance Management Since 2003, October 2014
- Links between FPIC and biodiversity/ecosystem services (IPAF engagement)
- Pilot/scoping ecosystem services project recently conducted over a 2 year period for Aurukun community (Weipa bauxite area) traditionally owned by the Wik and Wik Way People – from community perspective
- ForCES Project initiated by FSC with UNEP in 2011 as a 5 year project aimed at adapting the FSC Standard to emerging and targeted ecosystem services markets.
- Working Group to further discuss what other reviews / testing will be useful

Items tabled for discussion included:
- Terms of reference, membership (Committee representatives, other expertise, independent facilitator, if appropriate, etc.) and action plan of the Biodiversity and Ecosystem Services Working Group
  - To be discussed by WG for agreement by the Standards Committee
- Whether “no-go areas” should be singled out for a stand-alone revision process
  - Separate to ecosystem services?
  - Separate to regular Standard revision cycle?
- How any “no-go areas” changes to the Performance Standard would apply (e.g. cut off date, retrospectivity, etc.)
- Timing of revision cycles (to be determined by Board):
  - Ecosystem services: Already proposed 2 year timeframe post-launch was Committee recommendation from the previous teleconference (i.e. 2018-2019)
  - No-go areas?
Other topics?

- A timeline indicating the revision cycles was presented (as per the Action paper and previous teleconference Committee recommendation to review ecosystem services):

### 3a Post launch Workplans (Biodiversity) - timelines

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplan 1</td>
<td>Establish B&amp;EWG workstream including studies and recommendations</td>
<td>B&amp;EWG workstream including studies and recommendations</td>
<td>Performance Standard Major Review (5 year cycle) Perf Std. Version 2/4</td>
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<tr>
<td>Workplan 2</td>
<td>Establish B&amp;EWG workstream including studies and recommendations</td>
<td>B&amp;EWG workstream including studies and recommendations</td>
<td>Performance Standard Major Review Perf Std. Version 4/5</td>
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<tr>
<td>SC meeting 29 Nov 2017</td>
<td>Establish B&amp;EWG workstream including studies and recommendations</td>
<td>B&amp;EWG workstream including studies and recommendations</td>
<td>Ecosystem Services Criterion Major Review Perf Std. Version 3/4</td>
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### Summary of Committee discussion:

The following tables summarise the risks and benefits that were tabled by various Committee members (note that these individual points were often contested as part of the discussion) as it relates to the paper for action 124 for the post launch Workplans for biodiversity and no-go areas.

Normal revision cycle (including studies, public consultation periods, Standards Committee discussions, revisions, Board adoption and release of the revised Standard to be concluded within 5 years) – e.g. Workplan 1 where outcomes of the biodiversity working group studies and recommendations are incorporated into a full Performance Standard major review within 5 years or earlier as required. Note that recommendation made by the Committee to the Board at the teleconference on 29 November 2017 (see Action 130) to have ecosystem services incorporated into a major review of the Performance Standards with a shorter revision period (suggested as 2 years) remains.

<table>
<thead>
<tr>
<th>Risks</th>
<th>Benefits</th>
</tr>
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<tbody>
<tr>
<td>Standard may be considered weak on biodiversity topics, particularly ecosystem services and expanded no-go areas.</td>
<td>Provides enough time to involve appropriate expertise and consensus building in the Working Group, followed by stakeholder consultation processes.</td>
</tr>
<tr>
<td>ASI not being as progressive as should be, and may fall behind other standards, projects and delivery of the SDGs.</td>
<td>Provides stability for first round of investment into implementation of ASI, particularly for vertically integrated upstream companies.</td>
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<tr>
<td>Delays resolution of stakeholder concerns, which may introduce a credibility / reputational risk.</td>
<td>Provides time for market demand for ASI Aluminium to be built and generate initial liquidity for ASI metal.</td>
</tr>
<tr>
<td>New mines may open up in areas during the normal revision cycle</td>
<td>Does not pre-empt the outcomes of the normal revision cycle</td>
</tr>
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## Risks and Benefits

<table>
<thead>
<tr>
<th>Risks</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>the time before a future expansion of the no-go criterion may be agreed.</td>
<td>Working Group’s deliberations.</td>
</tr>
<tr>
<td>A longer timeframe may imply that ASI companies are not sufficiently committed to biodiversity issues.</td>
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### Shorter revision cycle (including studies, public consultation periods, Standards Committee discussions, revisions, Board adoption and release of the revised Standard to be concluded within 2 years) — e.g. Workplan 2 where any expansion of no-go criterion into other protected areas would be incorporated into the Performance Standard within a two year period. *Note that this was proposed to occur within the same time frame as the Committee recommendation to the Board for a two year incorporation of ecosystem services into the Performance Standard (see Action 130).*

<table>
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<tr>
<th>Risks</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>May be insufficient time to involve appropriate expertise and consensus building in the Working Group, followed by stakeholder consultation processes.</td>
<td>Prioritises resolution of stakeholder concerns on biodiversity more quickly than a five year revision schedule.</td>
</tr>
<tr>
<td>Creates two revision processes in 5 years – one for biodiversity and then a subsequent one for the rest.</td>
<td>Deals with biodiversity issues separately in advance of the general major revision.</td>
</tr>
<tr>
<td>If there is potential for future exclusion of mines in the short term, vertically integrated upstream companies may not invest in ASI Certification.</td>
<td>To-be-negotiated changes may not affect existing mining operations, even under a ‘cut-off’ date approach.</td>
</tr>
<tr>
<td>May create insufficient time for companies to prepare for, implement and meet new requirement on complex topic (ecosystem services assessment).</td>
<td>Demonstrates commitment from companies to address these aspects sooner rather than later.</td>
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<tr>
<td>Committing to shortened revision timelines without full knowledge may risk achieving scalability of ASI certification.</td>
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### Summary of a third potential compromise proposal which had support from some members:

- Empower the Working Group to develop and conduct their work program as per the timing for the studies as defined in revised Workplan 2 (i.e 2 year timeframe) and, at the conclusion of their process, deliver recommendations to the:
  - Standard Committee on potential changes to the Standard and
  - Board on timing and urgency of revision/s.

### Other points:

- Agreement that ongoing work on biodiversity is important and the establishment of a Working Group to move the issues forward as soon as possible.
- Agreement for clear public communication on ongoing work in this and other areas (for example GHG) for the next review of the Performance Standard.
- Studies need to understand potential impact on both members and non-members of ASI.
• It was noted that there are emerging studies currently underway by organisations including the World Bank around broader conservation requirements and state or the art biodiversity management requirements.
• For clarity, Workplan 2 includes the need to set a cut-off date for certification for new mines (e.g. 1 Jan 2018).
• Various members indicated interest in directly participating and/or nominating biodiversity experts for the Working Group as well as in the development and definition of the Working Group’s scope, objectives and action plan.
• The various viewpoints regarding future revision timing, rather than a vote or resolution, will be taken to the Board for their consideration and decision. These minutes will be tabled for their December 12 meeting.
• Any additional viewpoints regarding the Workplan for biodiversity from Committee members not present during the call to be emailed to the Secretariat by 8 December.

b. Recap of Current Working Group Objectives — A recap of the objectives for each of the current Working Groups to confirm remaining work to be carried out as well as additional work arising from the completion of the ASI normative documents
  • Standards Benchmarking and Harmonisation Working Group:
    o Expansion of the recognised external certification standards and parallel initiatives for harmonisation as these come on line such as ISO 45001 for OHS Management Systems, the Responsible Steel standard and the Initiative for Responsible Mining Assurance (IRMA).
  • Recycling and Material Stewardship Working Group
    o Guidance and direction to assist integration of SME recyclers and shredders/dismantlers
    o Provide general guidance on good industry practice for collection, segregation and recycling initiatives
  • Greenhouse Gas Working Group
    o Address the implications of the COP21 agreement to review what a 1.5 degree and 2 degree GHG emissions trajectory would look like for the aluminium sector.
    o Guidance and methodologies to support Entities throughout the supply chain establish context based and meaningful GHG reduction targets, based on scientific rationale.
  • Environmental impacts Working Group
    o Guidance and methodologies to help Entities to establish context based and meaningful targets to reduce air, water and waste emissions and to improve air, water quality based on supply chain activities

c. Other Activities and Focus Areas for 2018 — Other activities not already noted from items 3a and 3b were presented and included the following topics/streams:
  • Monitoring and Evaluation of Impacts:
    o Standards Committee to finalise the ASI Monitoring and Evaluation (M&E) Plan. This is a requirement for ISEAL membership and a core part of ASI’s long-term strategy. See ASI’s Theory of Change at https://aluminium-stewardship.org/asi-standards/theory-of-change/
    o ASI strategy is to achieve ISEAL certification mid 2018
  • Indigenous Peoples Advisory Forum (IPAF)
    o Development of 2018 in-person meeting and future workplan, including additional guidance development, studies, and identification of issues related to Indigenous Peoples for next major revision of the Standard.
  • Human Rights Working Group
Review the Human Rights criteria for areas that may require enhancement (e.g. Migrant Workers) in preparation for the next major revision of the Performance Standard.

Development of additional guidance/training on Human Rights due diligence.

d. **2018 Committee Meeting Dates for 2018**
   - As the focus moves from development to implementation, proposed 2018 meetings have been scheduled for 6-8 week intervals. Changes or additional meetings may be required.
   - Initial dates proposed for 2018 are:
     - Tuesday 6 February 2018 Teleconference
     - Tuesday 27 March 2018 Teleconference
     - Tuesday 8 May 2018 Teleconference
     - Friday 25 May 2018 in person meeting during the AGM week (Perth, Australia)
     - Tuesday 3 July 2018 Teleconference
     - Tuesday 21 August 2018 Teleconference
     - Tuesday 16 October 2018 Teleconference
     - Tuesday 13 November 2018 Teleconference
     - Tuesday 4 December 2018 Teleconference

   **Action:** Secretariat to issue meeting 2018 Committee meeting calendar invitations.

4. **AOB**
   a. No other business.

5. **Next Committee teleconferences:**
   a. Next meeting:
      - **Tuesday 6 February 2018**