

# ASI Standards Committee

Teleconference

01 October 2020

# Antitrust Compliance Policy

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*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 a Competition 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.*



# Acknowledgement of Indigenous People

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*ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our members operate. We aim to respect cultural heritage, customs and beliefs of all Indigenous people and we pay our respects to elders past, present and emerging.*



# ASI Ways of Working

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*ASI is a multi- stakeholder organisation. Dialogue is at the heart of everything we do. It is critical to ensure that the organisation delivers on its mission. We welcome all participants and value the diversity of backgrounds, views and opinions represented in this meeting. We recognise that we have different opinions; that is the heart of healthy debate and leads to better outcomes. To ensure our meetings are successful, we need to express our views and hear the views of others in a respectful and professional way, protecting the dignity and safety of all participants and enabling full participation from all attendees.*

# ASI Ways of Working

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- The Secretariat said that the role of the Standards Committee (SC) is to check decisions made by Working Groups (WGs), but not to re-discuss the points that were already discussed within the WGs. Otherwise it is not fair as SC members are also often part of WG/s and would get the opportunity to raise their opinions twice.
- It was asked when the Working Group has reached consensus, whether this can still be re-discussed at the Standards Committee.
- A participant raised that the WGs welcome all thoughts and inputs, including from the SC, and said that the SC has a balanced representation while WGs may not, creating potential bias in their proposals. It was added that the SC should be the decision body, respecting the consensus process in WGs, but also being able to challenge the outcomes of WGs. This was agreed by several other participants.
- The Secretariat explained that this topic was brought to the Board, which said that it wasn't the SC's role to re-debate issues agreed in the WGs. Following this discussion, the Secretariat can take this topic back to the Board again.
- One participant asked why this was brought to the Board and not discussed within the SC before. The Secretariat replied that it was brought to the Board because they were meeting in advance of the SC Meeting and that their input was valuable as they ultimately have to verify that due process was followed in the revision process.

# ASI Ways of Working

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- It was said again that the essence of WGs is to be fully open to any parties to participate, and that ideally you have a good balance within WGs but this was not always the case, potentially biasing the outcome, hence why the balanced SC needs to come in and make corrections. But there is a difference between making corrections and fully reopening discussions.
- The Secretariat expressed that it was exactly what the Board had said: it is normal that the SC makes adjustments, but reopening the discussions was the concern. The SC is free to push back some topics to WGs.
- The Secretariat said that the Board asked the Secretariat to conduct a review of the Governance Handbook to clarify this role between the SC and WGs.



# Agenda

	Topic		Lead
1	<ul style="list-style-type: none"> <li>a. Welcome</li> <li>b. Introduction &amp; Apologies</li> <li>c. Objectives</li> <li>d. Documents Circulated</li> </ul>	<ul style="list-style-type: none"> <li>e. Previous Minutes</li> <li>f. Conflicts of Interest/Duty</li> <li>g. Log of Actions</li> <li>h. Progress/Status Update</li> </ul>	Chair
2	a. Criterion 11.2 OH&S Mgmt System	b. Principle 11 Guidance	ASI
3	Pre-Consumer Scrap		
4	<ul style="list-style-type: none"> <li>a. Criterion 4.2 Product Design</li> <li>b. Criterion 4.4 Collection and Recycling</li> </ul>	c. Principle 4 & Guidance	
5	a. Criterion 9.6 Resettlements	<ul style="list-style-type: none"> <li>b. Criterion 9.7 Local Communities</li> <li>c. Criterion 9.9 Security Practice</li> </ul>	ASI
6	<ul style="list-style-type: none"> <li>a. Criterion 10.2 Child Labour</li> <li>b. Criterion 10.3 Forced Labour</li> </ul>	c. Criterion 10.4 Non-Discrimination	ASI
5	a. Agreed upon actions for Committee members	<ul style="list-style-type: none"> <li>b. Agreed upon actions for the Secretariat</li> <li>c. Close</li> </ul>	Chair

# 1a,b Welcome, Introduction & Apologies

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a) Welcome

b) **Chair:** Kendyl Salcito (Nomogaia)

**Attendees:** Abu Karimu (Settle Ghana), Alexander Leutwiler (Nespresso), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Jessica Sanderson (Novellis), Jostein Søreide (Hydro), Louis Biswane (KLIM), Marcel Pfitzer (Daimler), Rosa Garcia Pineiro (Alcoa), Stefan Rohrmus (Schueco), Steinunn Steinsson (Nordural), Tina Bjornestal (Tetrapak).

**ASI:** Cameron Jones, Camille Le Dornat, Kamal Ahmed, Krista West, Marieke van der Mijn

**Apologies:** Gina Castelain (IPAF), Hugo Rainey (WCS), Justus Kammuehler (WWF), Michael Frosch (BMW), Neill Wilkins (IHRB), Nicholas Barla (IPAF), Samir Whitaker (FFI).

**Alternatives:**

**Proxies:**



# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Performance Standard Guidance for Principles 6 & 11
3. Review and approve Guidance for Principles 3
4. Review and approve Standard for some of Principles 9 & 10
5. Review and approve Standard and Guidance for Principle 7

## d) Documents Circulated

1. ASI SC Teleconference 01Oct20
2. ASI SC Teleconference Minutes 28Sept20
3. SC Disclosed Conflicts of Interest
4. Summary of Post 2017 Launch Log of Suggestions and Changes
5. Principle 11 TC
6. Principle 4 TC
7. Principle 7 TC
8. ASI - SCMemberApptProxyForm 01Oct20
9. ASI -SCMemberAlternateForm 01Oct20
10. ASI RMSWG Teleconference Minutes 01Sept20
11. ASI HRWG Teleconference Minutes 24Sept20

# 1e,f Previous Minutes & Conflicts of Interest/Duty

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## e) Previous meeting minutes draft

*Resolved to accept the minutes of previous teleconference 28 September 2020.*

- Minutes will be published on the ASI website.

## f) Conflicts of Interest/Duty

*Disclosure sent with meeting package*

*It was discussed that all SC members from industry have a conflict, to some degree, with the discussion on pre-consumer scrap as every business will be impacted. This will be reflected in the List of Disclosures.*

# 1g Log of Actions

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## g) Log of Meeting Actions open or closed since last meeting:

1. The ASI Secretariat to prepare a justification for the inclusion of pre-consumer scrap from the ASI certification standpoint, and to reach out to participants on this topic before the next meeting.
  - Closed
2. The ASI Secretariat to draft guidance on noise before next meeting.
  - Delayed until all the action items for Principle 6 can be closed.
3. ACTIONS – A Standards Committee member to check the latest guidance from IAI on Bauxite Residue storage for next meeting.
  - Open
4. ACTIONS –One Working Group member to gather more information on the practice of discharging treated SPL to marine environments in Iceland.
  - Open
5. ACTIONS – One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Closed this meeting in item 2
6. ACTIONS - The Secretariat to add language that keeps the ‘peers and best practices’ part from 11.4 and public reporting.
  - Closed this meeting in item 2
7. ACTIONS - The Secretariat to compile data from existing reports on outcomes for Criterion 11.4
  - Closed this meeting in item 2

# 1h Progress/Status Update

Revision Workplan Planning Document  
Summary of Post 2017 Launch Log of Suggestions and Comments

	PS 1	PS 2	PS 3	PS 4	PS 5	PS 6	PS 7	PS 8	PS 9	PS 10	PS 11	COC	MS	AM	Claims	Final Review
Standard	✓	✓ *	✓	T		✓ *			T?	T?	T	✓ *	✓	✓		
Guidance	✓	✓	✓	T	-						T	✓				

## Upcoming Meetings:

- 01 October: Pre-Consumer Scrap, PS4 Standard & Guidance
- 12 October: PS5 Standard
- 13 October: PS 7 Standard & Guidance,
- 14 October: PS 8 Guidance & applicability for Protected Areas Criterion
- 15 October: PS 9 Standard & Guidance, 19 October: PS 10 Standard & Guidance, Claims Guide
- 20 October: Anything outstanding. **All decisions made by this date.**
- **17 November: Final Review and All documents Approved for Consultation**
- December: Review of consultation documents and planning for SC process for post consultation

\*Pre-consumer Scrap, CoC 9.3, PS 6.5 & PS 6.6

# 2a Criterion 11.2 OH&S Management System

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Consideration for the Standards Committee:

- Replace the language in Criterion 11.4 with the 'standard' language we are using throughout the rest of the Standard.

## **11.2 OH&S Management System**

- a. The Entity shall have a documented Occupational Health and Safety Management System that is conformant with applicable national and international standards.
- b. The Entity shall:
  - a. regularly review and publicly disclose the effectiveness, using lagging and leading indicators, of the Occupational Health and Safety management system
  - b. Compare this with peers and best practices
  - c. Where required, identify and implement improvements.

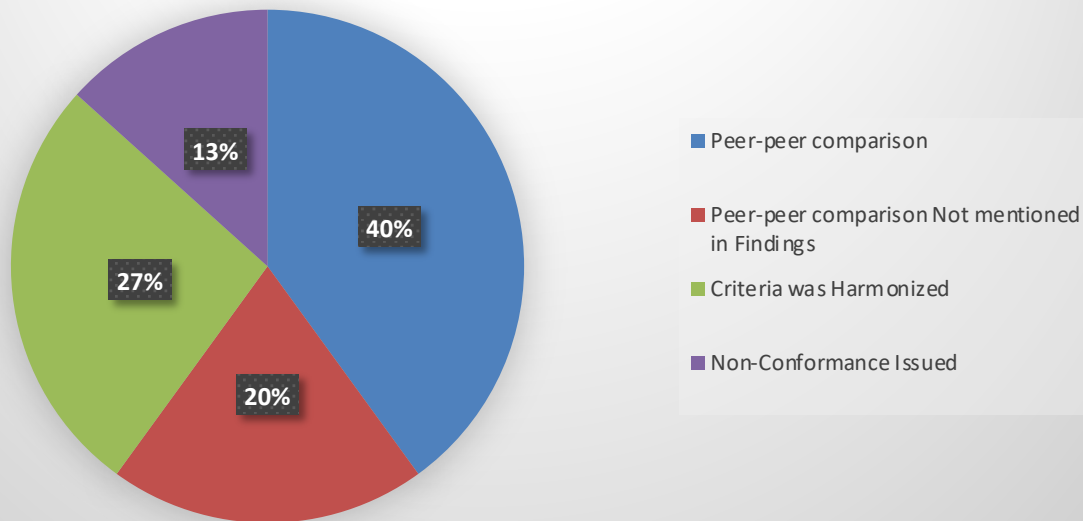
## **11.4 OH&S Performance**

~~The Entity shall evaluate its Occupational Health and Safety performance using lagging and leading indicators, compare this with peers and best practices where available, and strive to continuously improve.~~

## 2a Criterion 11.2 OH&S Management System

15 reports reviewed, most recent, two from earlier in implementation

### Findings Indicate Peer—Peer Comparison Specifically



## 2a Discussion

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- It was asked if the word “applicable” was really necessary in subcriterion a), as referring to all national and international standards necessarily makes them applicable. It was added that this could be a way for companies to evaluate themselves what is applicable to their situation.
- The Secretariat said that this issue had never been raised, and Auditors would have probably raised it if they had encountered problems. It was added that this language is consistent with the rest of the Standard, referring to “applicable law”. A participant supported this view.
- One participant asked what was meant by “publicly disclose the effectiveness”. The Secretariat replied that the Entity must monitor and evaluate its OH&S programme to see if it has achieved the intended outcomes, and this language requires the Entity to communicate (through its website, annual report, etc.) how they evaluated the outcomes of their OH&S program and whether it has reached its intended outcomes or not. It was added that indicators are included in the Guidance, along with additional explanations on “leading” and “lagging”. The Standard is not prescriptive on what/how companies should report though.
- It was said that Guidance will be added on what “publicly disclose” means.
- **The Criterion was approved.**
- **ACTIONS – The Secretariat to add Guidance on “publicly disclose”.**



## 2b Principle 11 Guidance

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- Some indicators which may be used include:
  - Recordable Case Rate - Recordable Case Rate measures the number of fatalities, serious injuries, lost-time injuries, restricted work injuries or medical treatment per one million hours worked. You should normally add in the number of accidents the ones involving subcontractors.
  - Serious injuries & fatalities - Serious injuries are cases involving death or an injury with a risk of death, major complications or permanent disability. Serious injuries are measured in absolute numbers.

## 2b Discussion

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- It was asked if it was possible to add more indicators in the Guidance, especially on health topics as this guidance covers only the safety part.
- It was asked why it wasn't mandatory to report on serious injuries and fatalities. The Secretariat replied that if that were the expectation this would have to be added to the Standard, as the Guidance is not prescriptive.
- It was suggested that the addition of mandatory reporting indicators could be moved to the discussion on this topic planned for January. The Secretariat said that this implied digging into several questions: do we include indicators at the Facility level, or at the company level? How do we differentiate for different jurisdictions? etc. Participants expressed that the SC needed to invest real thought in that. It was also said that OH&S is a very important issue and an area where we could easily find indicators.
- One participant mentioned that there are good indicators included in GRI 403 and suggested to reference that Standard.
- The Secretariat said that adding a public disclosure requirement was already raising the bar, that a reference to GRI 403 could be added to the Guidance, and asked if the SC wanted to make a decision right now on including OH&S indicators within the Standard or wanted to rediscuss it as part of a more fulsome discussion in January. It was agreed to rediscuss in January.
- The Guidance is not yet approved.
- **ACTIONS** – One Standards Committee Member to send additional indicators to include in the Guidance.
- The Secretariat to include a reference to GRI 403 in the Guidance.

# 3 Pre-Consumer Scrap

The CoCWG recommends, from a consensus decision, that the Standards Committee put the following questions out for consultation:

ASI seeks input during this consultation on the allowance of pre-consumer scrap as a CoC Material. The Chain of Custody Working Group recommends the following materials be eligible to be designated as CoC Material:

1. Pre-Consumer Scrap that was designated CoC Material and can be traced through closed-loop recycling from a Facility in the Entity's Certification Scope through to an uncertified Facility and back to a Facility within the Entity's Certification Scope.
2. Pre-Consumer Scrap that is subject to supplier Due Diligence as per section 7 up to a maximum of [XX] percentage. In allowing Pre-Consumer Scrap with Due Diligence there are two options:
  - a. Allowing a percentage of Material Inputs to be designated as pre-consumer scrap and requiring the other component of Material Inputs to be sourced from Primary Aluminium or Post-Consumer Scrap.
  - b. Allowing all Pre-Consumer Scrap.

If a business: What would be the impact of this change on your operation?

If a stakeholder: What impact does this change have on your perception of CoC Material being 'responsible'?

All: For the second option: If ASI allowed Pre-Consumer Scrap to enter the ASI system with Due Diligence do you feel that it should be limited to a certain proportion of Material Inputs?

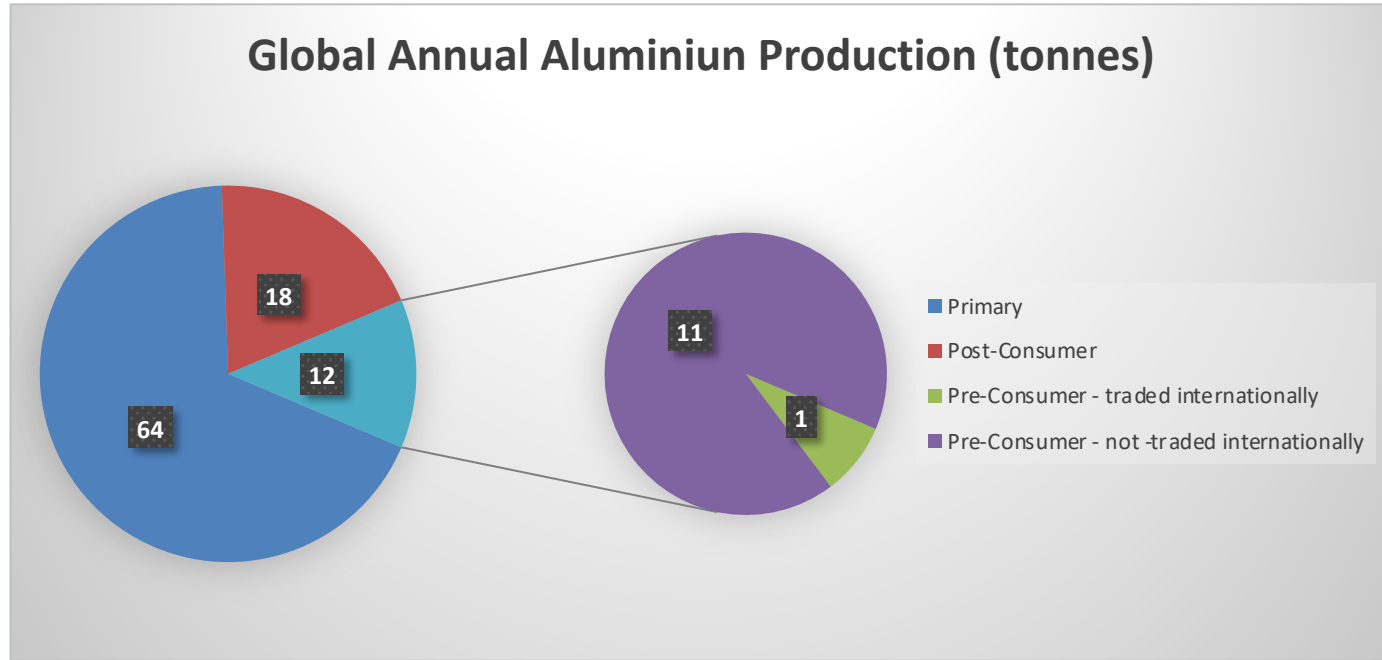
# 3 Pre-Consumer Scrap

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Additional work to do as part of the consultation package:

- Incorporate these items as Tracked Changes in the CoC Standard so folks can see what the change looks like in 'black and white' and evaluate the impact it has on them or on their perception of ASI.
- Develop some further back ground text to introduce this topic.

# 3 Pre-Consumer Scrap



Source: IAI

# 3 Discussion

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- One participant said that this issue was already thoroughly discussed when this criterion was initially developed for Version 1 of the Standard. It was discussed that process scrap has the same origins as primary aluminium, and the conclusion made back then was that there is no reason why process scrap should be under a different regime than primary aluminium. It was said that this topic is a good example of where the SC needs to bring some perspective to the WG's proposal, in relation to the roles of WGs and SC discussed earlier. In the CoCWG, most participants come from upstream companies and there was very little engagement from CSOs and downstream users. The participant view was that allowing process scrap to enter the system without being put under the same rules as primary aluminium is opening the door to metal that has been produced under very questionable practices, that suddenly becomes certifiable when turned into scrap. It was added that this is a point where the view of downstream users and CSOs is very important.
- This was agreed by another participant, that expressed not being satisfied with this proposal, and added that this is also threatening post-consumer scrap, which is much more expensive (requires collection, etc.)
- The Secretariat said that the CoCWG have put out these questions for consultation to get a broader perspective on the topic and to collect data. The CoCWG thought that an additional year of ASI CoC data as well as the broad perspectives of all ASI stakeholders would be useful. In terms of representation in the WG, it was said that there are at least 2 primary producers and some downstream users, so there was some representation.
- It was said that the role of the WG is to help inform the debate of the SC. It was also said that in the future, it would be good to make sure that WGs have a good representation to make balanced decisions.

# 3 Discussion

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- It was said that the risk of loopholes and having material that is ‘washed in’, is potentially dangerous. On the other hand, the group stands behind the maximization of the use of material, including scrap. Thus, how can we track the material?
- The Secretariat said that this language was not written in the Standard, this is just questions to send out for consultation at this point, and asked what was the argument for not sending these questions out for consultation? Participants answered that no data collected would change their view on this, that these issues are not well understood externally so if not well explained the answers wouldn’t be valuable, and that this question in essence relates to commercial issues (will open more options for more players) so the potential impact on businesses had to be explained much more clearly.
- It was asked what is meant by pre-consumer scrap, as for some companies it includes internal scrap while for others it is external scrap. It was said that allowing internal scrap opens bigger issues. It was also said that the stage we’re talking about is an issue: at semi-fabrication stage, scrap can be sent back to upstream operations, and will be considered external scrap for the upstream company.
- One participant said that defining pre-consumer scrap is quite easy, it is any scrap generated during the production process, also called process scrap. If a certified extruder buys CoC material and generates scrap, that scrap has certainly already undergone the ASI review. But a not-certified extruder that can sell scrap and suddenly this material is certified too, that’s a problem.
- It was said that this poses a credibility issue for ASI.
- One member stated that they had expected the CoCWG to come back with stronger rules on scrap, not weaker.



# 3 Discussion

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- It was said that the group was not going to reach a consensus on this recommendation. The credibility, and certification “out of nothing” being the concerns, while the recognition that recycling is important is also present in the group. What are the options to move on? It was asked to participants if they saw any path for pre-consumer scrap to be certified through Due Diligence (DD) process, any path for integrating these secondary producers.
- It was also asked if there was an alternate to fill that gap in the value chain.
- It was said regarding the first proposal to look at tracking and good traceability systems. And regarding the second proposal to look at this as an overall issue of gaps along the supply chain (like refineries in Europe, mines in Guinea). It was said that the availability of ASI material should also be discussed, in view of Anti-trust regulations.
- It was said regarding the gaps in the value chain, that that’s why the ASI Credits were created.
- The Secretariat said that this proposal is not universally considered as a reputational risk to ASI, some people equally have the opinion that this is not a risk, and that some other credible certifications have gone down this path. The Secretariat asked what was the question the SC wanted to send back to the CoCWG.
- One participant said that there were 3 options:
  - 1. Reject the proposal and ask the CoCWG to come up with a better proposal
  - 2. Have a discussion within the SC and get a majority to go in one direction or the other, send this proposal to the CoCWG and for consultation, or
  - 3. Have a discussion within the SC and still be divided, send questions back to the CoCWG or for consultation.

# 3 Discussion

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- The differentiation between internal runaround scrap and pre-consumer scrap was discussed. Some participants said that the definition changes as the material crosses the borders of companies, becomes external. It was said that internal runaround should not be considered pre-consumer scrap under the ASI definition.
- It was said that the ISO definition of pre-consumer scrap included both and was hence asked why it was different. A participant replied that it has to go through a process that didn't create it.
- It was said that the line that we draw as reputational risk, what is waste and what is not, it is an artificial line.
- One participant said that companies' own internal 'run-around' is currently not considered as pre-consumer scrap and if it was, they would be creating recycled content within their own site and would end up having more than 100% recycled content.
- It was said that in Europe pre-consumer is not necessarily considered waste, it can be considered raw material, and this is regulated.
- One member asked if it was cheaper to process pre or post-consumer scrap. Another member responded that post-consumer was more expensive. The first member then said that pre-consumer should not be allowed as it would disincentivize the use of post-consumer scrap.
- It was suggested to put the boundary around semi-fabrication process, rather than organizational boundaries, like currently. This was agreed by another participant.
- It was asked if anyone was in favor of putting this proposal as it is for consultation. Several participants replied that they were against, and no one voiced a preference to sending this out for consultation.

# 3 Discussion

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- One member said that companies will have waste, it is unavoidable, why should it not be elibile.
- **Consensus decision by the Standard Committee to reject Option 2 of this proposal from the CoCWG.**
- The Secretariat will take this decision away, discuss with the Board and report to the SC at the next meeting.
- It was suggested to send out only proposal 1 for consultation, and strike option 2. One participant expressed not being satisfied with proposal 1 either, as it presents lots of reputational risks, and is not very strong on Due Diligence.
- It was asked if perhaps Option ~~proposal~~ 1 could be expanded, further specified to express this concern and it was agreed to further look at Option 1.
- It was asked if the CoCWG could look specifically at post semi-fabrication pre-consumer scrap, and at DD. It was then discussed that nothing the CoCWG would shift the position of the Standards Committee and thus it was not worth sending back to the CoCWG.
- **ACTIONS – The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal, and report back at the next meeting.**

# 4a Criterion 4.2 Product Design

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Recommendation for the Standards Committee by the RMSWG to include circular economy in Criterion 4.2 (log item 203).

## 4.2 Product Design

The Entity, where engaged in Semi-Fabrication, Material Conversion and/or manufacture or sale of consumer/commercial goods containing Aluminium, shall integrate clear sustainability objectives in the design and development process for products or components ~~to enhance sustainability, including the environmental life cycle impacts of the end product to enhance circular economy outcomes.~~

## 4a Discussion

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- It was said that this language did not change the intent of the Criterion. It was replied that this was done purposefully.
- It was asked whether a definition of the circular economy outcomes would be included, adding that it is very important to be clear when talking about outcomes. It was answered that circular economy is defined, and that it goes further than LCA, which was the rationale behind that change.
- It was asked whether this included improvement, as circular also means status quo. It was replied that the concept of circular economy is to maximize the return of products and its components back into the Supply Chain.
- **The change to the Standard was approved.**

## 4b Criterion 4.4 End-of Life

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Recommendation for the Standards Committee from the RMSWG:

- to include regular 'effectiveness' subcriterion (log item 42)
- Revise the applicability of 4.4a as 'upstream' has very little influence on end-of-life recycling (not logged, was raised by the RMSWG).

### **4.4 Collection and Recycling of Products at End-of-Life**

- a. The Entity shall implement a recycling strategy, including specific timelines, activities and targets.
- b. The effectiveness of the recycling strategy shall be evaluated regularly, and where required, identify and implement improvements.
- c. The Entity shall engage with local, regional or national collection and recycling systems to support accurate measurement and efforts to increase recycling rates in their respective markets for their products containing aluminium.

## 4b Criterion 4.4 End-of Life

Applicability						
Supply chain activity	Applicability of Performance Standard Criteria					
	4.1	4.2	4.3	4.4 <u>a</u>	4.4 <u>b</u>	4.4 <u>c</u>
Bauxite Mining						
Alumina Refining						
Aluminium Smelting						
Aluminium Re-melting/Refining						
<u>Casthouses</u>						
<u>Semi-Fabrication</u>						
Material Conversion <del>(Production and Transformation)</del>						
<del>Material Conversion (Industrial Users)</del>						
Other manufacturing or sale of products containing Aluminium						

APPLICABILITY  
CHANGE  
RECOMMENDED



# 4b Discussion

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- The Standard was approved.

# 4c Principle 4 Guidance

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No comments on the Principle 4 Guidance Received

\*definition on end-of-life still to come.

Agree to Guidance for Principle 4

# 4c Discussion

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- The Guidance was approved.

# 7 Agreed Upon Actions & Close

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- a. Agree any final post-meeting actions and timeframes by Committee members
- b. Agree actions by Secretariat
- c. Chairs and Secretariat thanks to all participants and close of meeting

## Next Meetings:

- 12 October: PS5 Standard
- 13 October: PS 7 Standard & Guidance,
- 14 October: PS 8 Guidance & applicability for Protected Areas Criterion
- 15 October: PS 9 Standard & Guidance,
- 19 October: PS 10 Standard & Guidance, Claims Guide
- 20 October: Anything outstanding. **All decisions made by this date.**
- **17 November: Final Review and All documents Approved for Consultation**
- **December:** Review of consultation documents and planning for SC process for post consultation

Thank you