

# ASI Standards Committee

## Teleconference Minutes

12-20 October 2020

\*Note that these minutes cover six semi-consecutive days of meetings between 12 October 2020 and 20 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.*

# 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	Presentation from Atmolite on GHG Validation Report and Question & Answer		Dave & Ronnie
3	Presentation from IAI and Question & Answer		Chris Bayliss
4	<ul style="list-style-type: none"> <li>a. Criterion 5.1</li> <li>b. Criterion 5.2</li> </ul>		ASI Representatives from the GHGWG
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

**Chair:** Rosa Garcia Pineiro (Alcoa)

**Attendees:** Abdoul Khalighi Diallo, Abu Karimu (Settle Ghana), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Jessica Sanderson (Novellis), Jostein Søreide (Hydro), Justus Kammüller (WWF), Kendyl Salcito (Nomogaia), Marcel Pfitzer (Daimler), Stefan Rohrmus (Schueco), Steinunn Steinson (Nordural), Tina Bjornestal (Tetrapak).

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

**Apologies:** Alexander Leutwiler (Nespresso), Gina Castelain (IPAF), Hugo Rainey (WCS), Louis Biswane (KLIM), Michael Frosch (BMW), Neill Wilkins (IHRB), Nicholas Barla (IPAF), Samir Whitaker (FFI).

**Invitees in Attendance:** Chris Bayliss (IAI), David Wong (Atmolite consulting), Ron Etzion (Atmolite consulting).

# 1a,b Welcome, Introduction & Apologies

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## Welcome Abdoul!

Abdoul is currently based in The Netherlands but is originally from Guinea, and has extensive project implementation experience with USAID and Peace Corps projects addressing a broad range of issues related to local communities in Guinea, including nutrition, food security, agribusiness and agroforestry, among others.



# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Performance Standard for 5

## d) Documents Circulated

1. ASI SC Teleconference 08Oct20
2. ASI SC Teleconference Minutes 01Oct20
3. SC Disclosed Conflicts of Interest
4. ASI GHG Validation Report\_20200909\_Generic\_Final.pdf
5. ASI - SCMemberApptProxyForm 08Oct20
6. ASI –SCMemberAlternateForm 08Oct20
7. ASI GHG WG Teleconference Minutes 17Sept20
8. ASI GHG WG Teleconference Minutes 06Oct20 DRAFT
9. ASI BESWG Teleconference Minutes 08Sept20



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

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- e) Previous meeting minutes draft circulated. Comment received.
- Regarding the following point in the meeting minutes: *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.* My understanding is that we rejected the proposal of the CoCWG in its actual wording but not the topic "pre-consumer scrap" completely. On page 25 of the minutes it is mentioned that the discussion shall be continued by discussing the elements of the proposal separately. I did not understand our discussion as minuted here - my understanding is that the discussion regarding pre-consumer scrap shall be continued in the Standards Committee.
  - One participant said that the minutes as distributed are correct and that it was the only way forward.
  - A member of the CoCWG said this was discussed within the WG, and WG members were not happy about this outcome; adding that it should be reflected that the SC didn't give them a clear explanation. The participant said having rejected the proposal because of the wording, and is not against the SC rejecting the proposal as it is but against not having further discussions on the topic.
  - Another participant said having the same understanding as presented above, and that there is still space for discussion.

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

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- It was said that the CoCWG could use the occasion of the consultation period to propose new wording. This was countered by saying that there was no value in the CoCWG developing further suggestions if the SC was not open to further inclusion of pre-consumer scrap as Eligible Scrap in the ASI system. The original participant stated that what they meant was anyone could raise a comment during consultation, that it wasn't meant the CoCWG would do more work in the interim. This was again countered by stating that that was little value if the SC was not open to further inclusion of pre-consumer scrap into the ASI system.
- Another participant expressed still having concerns about the credibility issue.
- One participant said that their understanding was that there was no massive rejection on option 1, so this is still something that could be looked into.
- A participant said also rejecting that option 1 should be rejected, as it is a danger to ASI credibility as there is no due diligence on the re-melter/refiner.
- It was said that today was not about rediscussing the topic but coming to an agreement on the way forward. It seemed that not everyone had the same understanding of what was agreed to at the last meeting.
- **It was agreed that there was a rejection of the second option put forward by the CoCWG (accept all pre-consumer scrap as Eligible Scrap with due diligence) and that further discussion was needed on the first option (closed loop recycling).**

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

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## e) Conflicts of Interest/Duty

### *Disclosure sent with meeting package*

- It was said that all Production and Transformation and Industrial Users members have a conflict related to GHG emissions, similarly to the pre-consumer scrap one. This will be added by the Secretariat to the SC Disclosed Conflicts of Interest.

# 1g Log of Actions

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

1. The ASI Secretariat to draft guidance on noise before next meeting.
  - Completed, on agenda for October 13
2. A Standards Committee member to check the latest guidance on management of Bauxite Residue from IAI for next meeting.
  - Completed, on agenda for October 13
3. One Working Group member to gather more information on the practice of marine disposal of treated SPL in Iceland.
  - Open
4. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
5. One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Open
6. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
7. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open

# 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	✓ *					✓	✓ *	✓	✓		
Guidance	✓	✓	✓	✓	-						T	✓				

## Upcoming 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

\*Stakeholder definition, CoC 9.3, PS 6.5 & PS 6.6

## 2 Presentation (with Q&A)

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# Data Collation and Validation of ASI Greenhouse Gas Emissions (GHGs)

Dr David S Wong and Dr. Ron Etzion  
Atmolite Consulting

Presentation prepared by Atmolite Consulting



asi Aluminium  
Stewardship  
Initiative

## 2 Discussion

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- A question was asked of the Presenters and Secretariat: According to 5.3b, a company above the 8 tonnes of CoCe per tonne of aluminium produced (t/t) threshold must have a plan to demonstrate that they are working towards emitting below this threshold. Did you see such a plan? The presenters responded that there were only 2 Entities above the 8 t/t threshold, and the majority of Entities did publish a plan. For one of them you might question how realistic the plan is, without significant changes in the energy mix. So the majority would meet the criterion to have a plan, but as to how realistic it is – at least for one of them it looked challenging.
- The Secretariat said that during oversight the objective evidence shown to Auditors are not re-reviewed, but that the plans to reach the target threshold by 2030 would have been reviewed by Auditors. But with the new Standard, there will be more disclosures required so that we can expect more transparency in the future.
- A question was asked of the presenters: Do you have the same box plot for the entire aluminium industry as the one you showed for ASI members? Where do the percentiles lie for the entire industry? It was answered that the median for the industry was somewhere in that 16 t/t range. Most ASI Entities do comply with the target, the problem is to engage more Entities as 75% of facilities will not reach this target.
- It was said that 50% of the aluminium production comes from China, and 80% of it is coal-fired.

## 3 Presentation (with Q&A)

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# GHG Pathways and sectoral 2050 target

Chris Bayliss  
Deputy Secretary-General  
International Aluminium Institute



# 3 Discussion

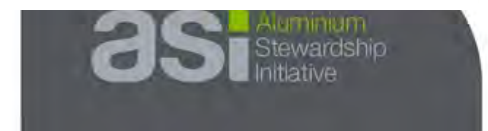
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- Question for the presenter: Could you explain the 1.5 t/t figure, does it mean a semi-fabricator would be sourcing half of the metal from the 2.5 t/t primary, and half from end of life recycling? The presenter responded: These numbers do not talk about specific Entities, they are global sectoral averages. On average, primary aluminium would be 2.5 t/t; and for the semi-fabricated number, the 2.5 t/t primary would account for 50%, and the other 50% would be provided by post-consumer and pre-consumer scrap. It says that Scope 1 and 2 (direct) emissions in recycling and semi-fabrication processes would need to be reduced by 50%. At the same time, availability of scrap increases. This figure includes both decarbonization and increased recycled content. What it does not say is that individual Entities achieve this number, as some will source more recycled material than others. The denominator is the total semi-fabricated products demand (tonnage), which is met by primary and recycled aluminium.
- Question for the presenter : Are the emissions from recycled aluminium fully electric? The presenter responded: IAI hasn't looked at technological pathways to get there; recycling hasn't been looked at in as much detail as primary has. Assumptions have been made about electrification and heating alternatives (hydrogen, carbon capture and storage). Under these scenarios, IEA figures on decarbonization of electricity have been applied to everything. For the primary production, we fully decarbonize electricity, and we apply that too to recyclers and semi-fabricators, that are more thermo dominant. The assumption is that thermo will electrify, so some of the thermo reduction will come from electrification.

# 3 Discussion

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- Question for the presenter : One of the main issues with the 8 t target is that it is not inclusive. What we hear is that smelters do not have control over the energy mix, which is why they cannot reach this target. If we want to open up to include more of the industry, and have a bigger impact – how will ASI make a difference if the smelters do not have control? The presenter responded: There is more subtlety to it. Year zero inclusivity is the problem. Most smelters self-generate power, and they tend to be located where the fossil fuel industry is (gas based, coal based). So it is not quite true that they don't have the capacity to change, but it is true that the rest of the world, which is grid-based, has less control. But the grid is decarbonizing. For the self-generated smelters, things are not in place to make that change now. They need time to move location, or implement new local grids (solar, etc.). So this is all about pathways out to 2050: self-generated plants will join the grid, that is also decarbonizing, but it is going to take time – the pathways address when this will occur. The Gulf has an interesting perspective: in UAE, grids are increasingly solar and nuclear, and smelters are not currently grid-connected, but the feeling is that they will over time.
- Question for the presenter : What do you think is the influence/pressure for that? Will ASI actually have any real influence? The presenter responded: Science Based Targets (SBTs) is one approach going towards this, it is a tool that can be used for the whole sector's decarbonization and for measuring performance against this goal. Having multiple pathways, accounting for multiple departure points is critical.



# 3 Discussion

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- One participant said that having clear 2030, 2040 and 2050 targets are needed to make this clearly auditable is what is needed to drive change.
- Question for the presenter : You refer in your model to recycling of post-consumer scrap AND "new traded scrap" - could you also call "new traded scrap" "pre-consumer scrap"? The presenter responded: Yes, pre-consumer but not internal/runaround.
- One participant said that it was critical to understand that for the downstream to reach the 1.5 degree target primary production must be at 2.5 t/t and recycled material needs to come more fully on-line. Both of these factors are not in the control of an Entity and must be considered in developing these Criteria. The presenter responded that 2.5 t/t is the average 2.2 t/t and 2.7 t/t, depending on the level of scrap that is sourced. Recycling is becoming more important, and it will account for 20% of the industry's emissions in 2050.

## 4 Principle 5 Criteria

**P5**

ASI PERFORMANCE STANDARD CRITERIA

5.1A

5.1B

5.2A

5.2B



## 4 Criteria 5.1 Disclosure

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Recommended by the GHGWG:

**5.1 Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.

- 5.1 a) Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.
- b) All publicly disclosed GHG emissions data must be independently verified.**

## 4 Criteria 5.2/3 Reductions

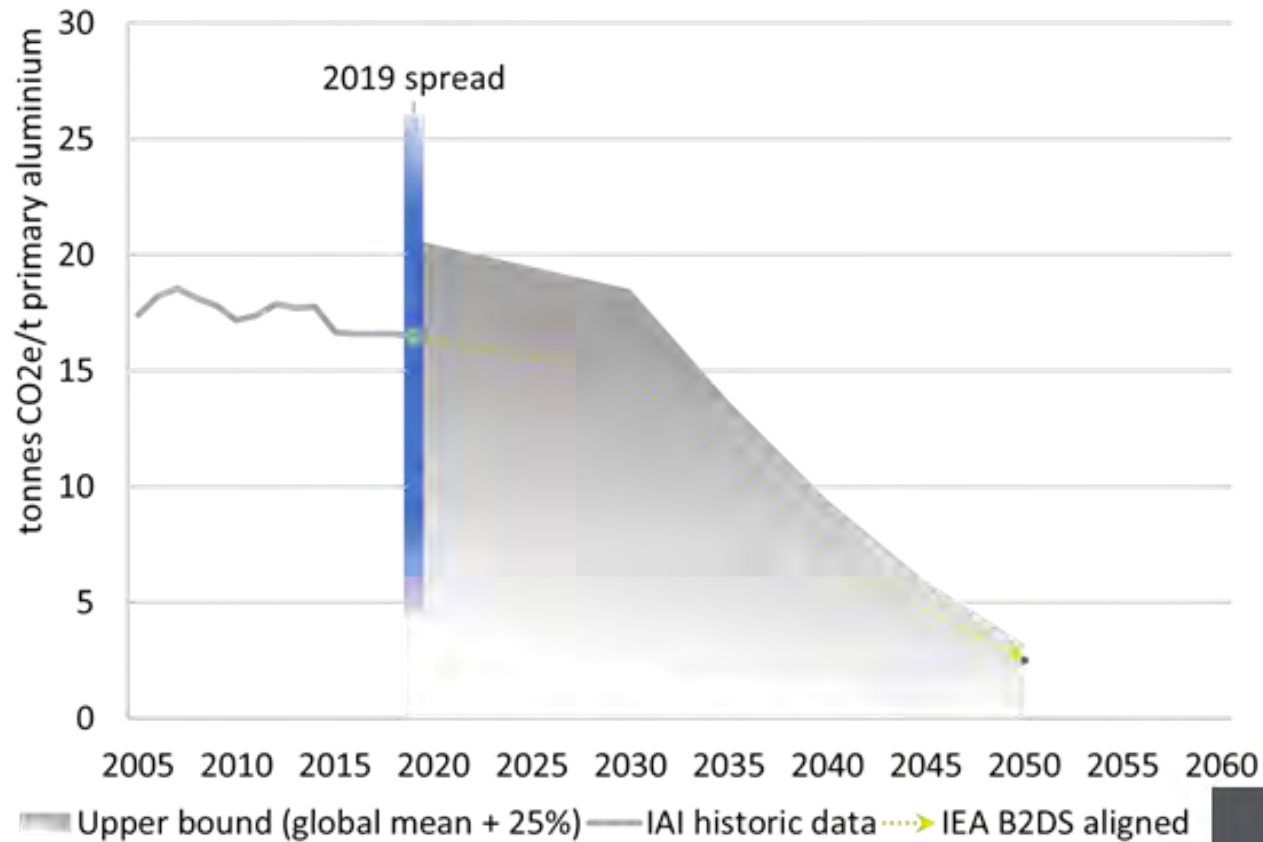
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5.2 **GHG emissions reductions.** The Entity shall publish time-bound GHG emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the material sources of Direct and Indirect GHG Emissions.

5.3 **Aluminium Smelters.** An Entity engaged in Aluminium Smelting shall:

- Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to limit the Direct GHG Emissions.
- For Aluminium smelters in production up to and including 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by 2030.
- For Aluminium smelters starting production after 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.

# 4 Criteria 5.2/3 Reductions



## 4 Criteria 5.2 Reductions – in-meeting

- GHG WG was not able to reach consensus on 5.2a.
- Criterion 5.2b recommended by the GHG WG.

### 5.2a GHG emissions reductions. The Entity shall

- Establish GHG emissions reduction targets using methods<sup>^</sup> that ensure a pathway consistent to achieving an aluminium global average sector intensity of 2.5 tonnes\* of CO<sub>2</sub>eq per tonne of primary aluminium, or 1.5 tonnes\* of CO<sub>2</sub>eq per tonne of semi-fabricated product by 2050. These must include periodic targets (*to a maximum 5 year period between targets*) which shall cover all emissions from mine to metal<sup>#</sup>.
  - The targets developed in (i) shall be publicly disclosed.
  - Progress against the targets developed in (i) shall be publicly disclosed annually.
- a) Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2 (a).

- *\* to be revised, following release of 1.5c warming scenario (SDS, IEA etc.)*
- *# - refer IAI Level 3 methodology (+ other methodology for semi-fab)*
- *^ - subject to identification of appropriate methodologies*
- **'UPPER BOUNDARY' – language required in Criteria (agreement still sought).**



## 4 Criteria 5.2 Reductions – post meeting

- GHG WG was not able to reach consensus on 5.2a.
- Criterion 5.2b recommended by the GHG WG.

### 5.2a GHG Emissions Reductions. The Entity shall

- Establish GHG emissions reduction targets that ensures a reduction pathway consistent to the achievement of 2050 average global aluminium sector intensities of 2.5\* tonnes of CO<sub>2</sub>eq per tonne of primary aluminium, or 1.5\* tonnes of CO<sub>2</sub>eq per tonne of semi-fabricated product. The Entity's reduction pathway must remain below the upper threshold limit of xx<sup>^</sup> and include intermediate targets covering a period no greater than five years.
  - These targets shall address all emissions from mine to metal<sup>#</sup>.
  - These targets shall be publicly disclosed.
  - Progress against these targets shall be publicly disclosed annually.
- b. Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2 (a).

\* To be revised, following release of 1.5c warming scenario (SDS, IEA etc.)

<sup>^</sup> To be determined post-consultation

<sup>#</sup> Refer to IAI methodologies

Highlighted text  
was not agreed on.

# 4 Discussion

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- It was said that this is a value judgement on the part of the SC and the question is where should the line in the curve (presented on slide 23) be drawn?
- One participant from the GHGWG added that from the downstream / CSO perspective, the problem is not so much with the question of the upper limit and the starting/end points, but about the 2030 point – where do we require coal fired smelters above 16 t/t to land in 2030? Two other participants from the WG said this didn't reflect the discussions that happened in the WG.
- It was asked if the SC also needs to approve the other criteria (5.1a,b and 5.2b). The Secretariat replied that yes, the SC needs to agree to the whole of Principle 5 but the focus today is on 5.2a as this is where the GHGWG did not reach consensus.
- It was raised that an article was recently published by the not-for-profit Ember, criticizing the use of coal to produce aluminium. It was said that we need to also be mindful of the perception of the customer when they buy an ASI product, and if ASI does not fulfill the market expectations that other market mechanisms will come to fill that space.
- It was said that the initial discussion on this Criterion several years ago was that the 8t/t threshold was meant to send a signal as to what was ok and what was not.
- The Secretariat said that the discussion will be picked up tomorrow, to decide on a path forward. Tomorrow's agenda is shifted.

# ASI Standards Committee

Teleconference

13 October 2020

	Topic		Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions h. Progress/Status Update	Chair
2	a. Criterion 5.1	a. Criterion 5.2	ASI Representatives from the GHGWG
3	Pre-consumer scrap re-visited		ASI
4	Impacted Populations and Organizations Definition		ASI
5	a. Guidance on Noise for Criterion 6.1 b. Criterion 6.6	c. Criterion 6.7 d. Principle 6 Guidance	ASI
6	a. Criterion 7.3	a. Principle 7 Guidance	ASI
7	a. Criterion 9.6 Resettlements	b. Criterion 9.7 Local Communities c. Criterion 9.9 Security Practice	ASI
8	a. Criterion 10.2 Child Labour b. Criterion 10.3 Forced Labour	a. Criterion 10.4 Non-Discrimination	ASI
9	a. Agreed upon actions for Committee members	b. Agreed upon actions for the Secretariat c. Close	Chair

# 1a,b Welcome, Introduction & Apologies

---

## a) Welcome

**Chair:** Rosa Garcia Pineiro (Alcoa)

**Attendees:** Abdoul Khalighi Diallo, Abu Karimu (Settle Ghana), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Jessica Sanderson (Novellis), Jostein Søreide (Hydro), Justus Kammüller (WWF), Kendyl Salcito (Nomogaia), Marcel Pfitzer (Daimler), 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), Alexander Leutwiler (Nespresso), Hugo Rainey (WCS), Louis Biswane (KLIM), Michael Frosch (BMW), Neill Wilkins (IHRB), Nicholas Barla (IPAF), Samir Whitaker (FFI).

One participant raised it was important to have downstream participants for the discussions planned for today. It was verified that downstream participants were present in the teleconference. The Secretariat noted that representation by membership type was not relevant for quorum.

# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Criterion (or provide greater guidance to the GHGWG) for Principle 5
3. Review and confirm SC Decision on pre-consumer scrap
4. Review and approve Definition for Stakeholders
5. Review and approve Criterion and Guidance for Principles 6 & 7
6. Review and approve changes to Principles 9 & 10, time permitting

## d) Documents Circulated

1. ASI SC Teleconference 13Oct20
2. SC Disclosed Conflicts of Interest
3. Principle 6 TC
4. Floodpit\_seawaterbasins.ppt
5. SPL in Coastal Land Reclamations
6. Principle 7 TC
7. ASI - SCMemberApptProxyForm 13Oct20
8. ASI -SCMemberAlternateForm 13Oct20

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

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- e) Minutes for the meetings from October 12-20 will be distributed as one unit after October 21.
- f) Conflicts of Interest/Duty

*Disclosure sent with meeting package*

It was raised by a participant that when talking about GHG, all members have a conflict of interest. The Secretariat responded that this had been noted in the 12 October 2020 meeting.

# 1g Log of Actions

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

1. The ASI Secretariat to draft guidance on noise before next meeting.
  - Completed and presented in Item 3
2. A Standards Committee member to check the latest guidance on management of Bauxite Residue from IAI for next meeting.
  - Completed and presented in item 3
3. One Working Group member to gather more information on the practice of marine disposal of treated SPL in Iceland.
  - Completed and presented in item 3
4. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
5. One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Open
6. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
7. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open



# 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		T?	T?	✓	✓ *	✓	✓		
Guidance	✓	✓	✓	✓	-	T	T					✓				

## Upcoming Meetings:

- 13 October: PS 5, Preconsumer Scrap, 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

**\*Stakeholder definition, CoC 9.3 + new recommendations, PS 6.6 & PS 6.7**



## 2 Criteria 5.1 Disclosure

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Recommended by the GHGWG:

**5.1 Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.

- 5.1 a) Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.
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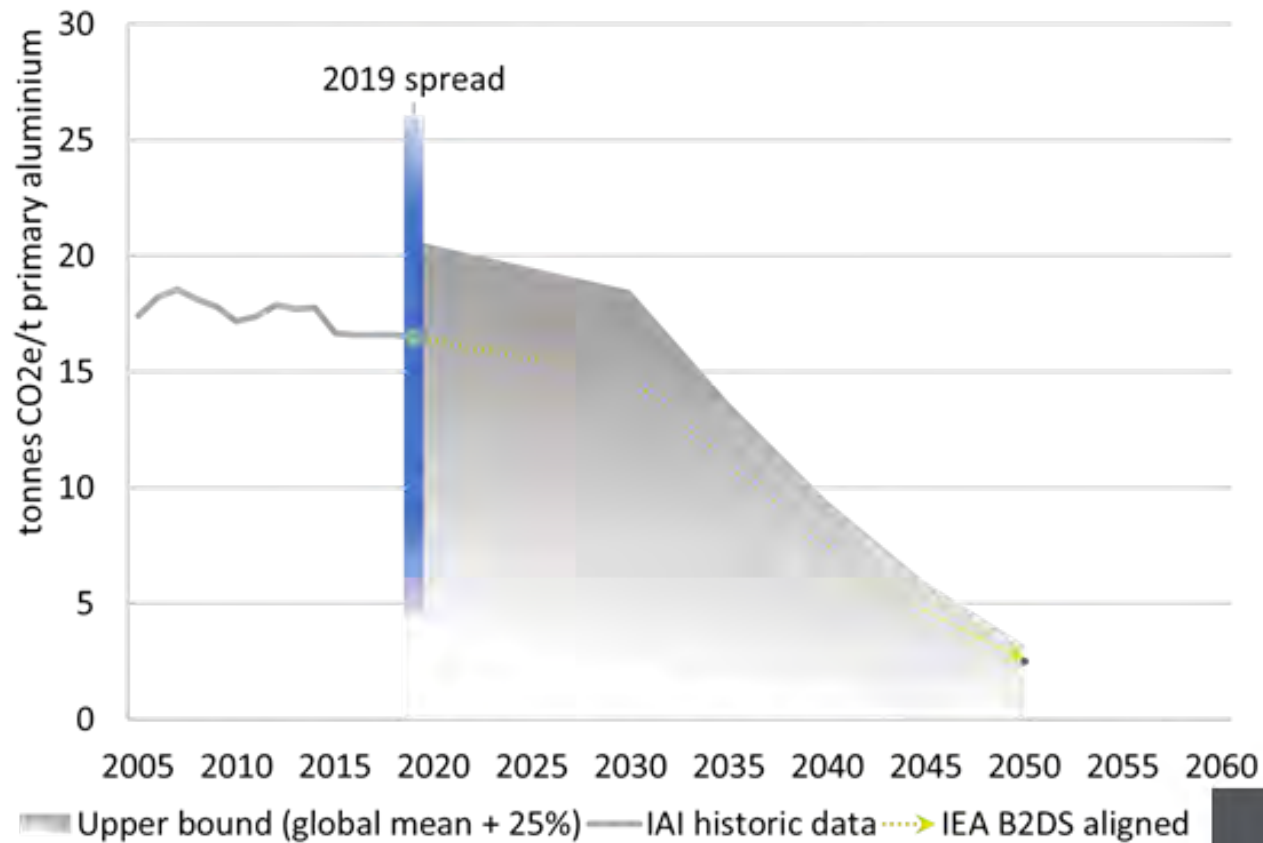
## 2 Criteria 5.2/3 Reductions

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**5.2 GHG emissions reductions.** The Entity shall publish time-bound GHG emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the material sources of Direct and Indirect GHG Emissions.

- 5.3 Aluminium Smelters.** An Entity engaged in Aluminium Smelting shall:
- a) Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to limit the Direct GHG Emissions.
  - b) For Aluminium smelters in production up to and including 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by 2030.
  - c) For Aluminium smelters starting production after 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.

## 2 Criteria 5.2/3 Reductions



## 2 Criteria 5.2 Reductions – in-meeting

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- Criterion 5.2b recommended by the GHG WG.

### 5.2a GHG emissions reductions. The Entity shall

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- a) Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2 (a).

- *\* to be revised, following release of 1.5c warming scenario (SDS, IEA etc.)*
- *# - refer IAI Level 3 methodology (+ other methodology for semi-fab)*
- *^ - subject to identification of appropriate methodologies*
- **'UPPER BOUNDARY'** – language required in Criteria (agreement still sought).

## 2 Criteria 5.2 Reductions – post meeting

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### 5.2a GHG Emissions Reductions. The Entity shall

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  - These targets shall address all emissions from mine to metal#.
  - These targets shall be publicly disclosed.
  - Progress against these targets shall be publicly disclosed annually.
- b. Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2 (a).

Highlighting was updated since yesterday to reflect agreement of the group on targets

\* To be revised, following release of 1.5c warming scenario (SDS, IEA etc.)

^ To be determined post-consultation

# Refer to IAI methodologies

Highlighted text was not agreed on.

## 2 Discussion

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- It was said that there is a broad consensus in the GHG WG on the concept of having an upper limit, but the way it is phrased here suggests the limit is at 8t/t. The struggle has been to find a good description on how a company can be on track for 1.5 t/t or 2.5 t/t for 2050. The upper threshold decreasing over time is the solution that has been found. The discussions stopped yesterday on the level of the upper limit.
- It was added that the upper threshold limit should be in relation with a starting point 0 (today, 2020), the upper limit then falling in line with the reduction pathways. For example: right now the curve is at 16 t/t, and the upper limit is 20%. So the questions are: What is that curve? What is the percentage?
- One participant looked at the data of Atmolite and saw that a coal-fired smelter was at 17.8 t/t, and asked what would it mean in this graph? It was answered that the numbers shown are based on IAE numbers, and are only about smelting, to which you need to add bauxite mining, alumina refining, anode production, and casting process to have the complete primary data. For example, the smelter in question would be at 25t/t, and similarly you need to add 3-4 t/t to our current 8 t/t threshold to relate a smelter threshold to a cradle to gate threshold.
- A participant said that this is not credible, and suggested the curve should be set at global mean +10%, which would allow the best coal-based producers in the system, that would need to reduce their emissions very quickly, and the worst producers wouldn't be included. It was added that this is a value choice the SC needs to make, and this is where the Greenhouse Gas Working Group (GHG WG) discussions stopped.

## 2 Discussion

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- It was raised that these data are only for up to primary smelting, and this discussion applies only to primary producers.
- One participant said that implementing change for a whole industry is the task of governments, while making sure that the best ones are selected, is the task of ASI. The industry mean +25% upper curve gives too much space for companies to wait.
- Another participant noted this discussion was very similar to the initial ones for defining this Criteria in V1 of the Performance Standard: what kind of signal is ASI sending? It was added that there is inconsistency in the Standard as the other Criteria are very inclusive, which has also raised some criticisms by the way.
- The Secretariat said that inclusivity is aligned with ASI Theory of change, and the Board has made a statement that the Standards Committee (SC) is expected to be inclusive in their Standards development. It was added that the concept of a value choice and specifically excluding some types of Entities from participating in ASI can cause some troubles with anti trust laws and is against the ASI anti-trust compliance policy. It is very unlikely that this would pass the legal review, and it can be a risk for ASI.
- One participant said that with an upper limit in the middle of the curve, this would still cover half of the industry, and didn't agree with the fact that excluding an Entity goes against antitrust laws as it is the purpose of standard to set best practices.



## 2 Discussion

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- It was raised that the importance is what is science-based. Whatever the starting point, what matters is the pathway, how steep the reduction curve is. We should define what are the reduction pathways based on scientific truth. This means that a coal-based smelter can be included in the process, but 5 years later it will need to have significantly lowered its emissions to continue to be included.
- It was said that the point is indeed to reduce emissions as much as possible, and this is not possible without including also the top emitters, which is the largest issue for the industry. However, it was stated, It is economically infeasible for the top emitters to reduce their emissions so significantly as the costs are too high to participate.
- One participant challenged the fact that this was an economic problem for them. It was suggested that those above the line could buy credits.
- The Secretariat asked for clarification whether, for the options being discussed, companies were able to buy credits to reach their targets.
- One participant said that their company has a statement against the use of credits or offsets, because the industry as a whole needs to make efforts to reduce their actual emissions. It was added that some companies are eager to buy credits though. This was agreed and it was added that coal-based operators could still use that option to come in an average line. It was said that this could be an option, but requiring another important discussion.

## 2 Discussion

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- One participant said that any pathway from the blue line to the final line is acceptable, and that Entity can join if they have a pathway that ends at the right point.
- One participant asked if in practice ASI has influence over operators? If we bring Chinese coal-fired operators into the Standard, can we facilitate their energy transition? And if we exclude them, does that persuade them from changing? The participant asked the Secretariat if they had data on how ASI can push companies with Non-conformances and how that engagement works?
- The Secretariat replied having no data on that and said that there are a number of initiatives happening at the moment (Climate Champions, Marrakesh agreement, WEF) and ASI is engaging with them. The methodologies are not developed yet, this is still work in progress globally but we can hope that there will be lots of progress in the next few years and potential shared learning with these initiatives. Then, ASI could work with those high emitters in the coming years on how to implement change.
- One participant suggested to have a robust and auditable system, that could include everyone at the beginning, but after a few years the ones not reaching their intermediary targets would be decertified. On the opposite, this could push for ambitious pathways. But for ASI to have that mandate and create a push and pull, the Criterion needs to be strong enough and science-based.

## 2 Discussion

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- It was asked whether it is possible to write in the Standard that the below 1.5c pathway is the target and Entities not on this pathway by 2030 are de-certified.
- Another participant said that certifying a smelter at 20 t/t endangers the reputation of the Standard and could drive customers to other labels if ASI doesn't fulfill their climate change concerns. The participant expressed a high concern on the Standard being based on future plans.
- This concern was shared by another participant, adding that the only way to tie that together is with a very strict reduction pathway. If not, this poses a credibility issue. It was said that we can go down this risky road only if we have clear pathways, otherwise we need to have a threshold.
- One participant said that this is comparable to the biodiversity topic. The Criterion is on a commitment to the target no net loss, and this is also a pathway. No Entity is there yet, the achievement is down the line. What kind of tools do we have to push that to happen? How do we make sure it is not just a statement? If we go with the pathway approach, with opens much more opportunities for change, we need to have the systems in place in terms of transparency and tracking progress.
- It was said that it is included in the Criterion that the targets and progress against targets shall be made publicly available. The key intention is that it is available for scrutiny, and not just to Auditors review.

## 2 Discussion

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- It was said that we need to define an end point and establish credible pathways to reach that end point. The end point could be 3 or 4 t/t.
- It was raised that the upper bound definition under the graph shouldn't be global mean + x% but should be IEA line + or – x%. One participant said it was an error in explanation/understanding because the upper bound is the global average + 25%. It was said that the concept is to set a stable curve, and not change it overtime.
- It was suggested to have model pathways. There are geographical clusters that can be formed and have model regional pathways where companies must stay within 2-3% of that. It would be easier to audit.
- The Secretariat said that IAI has a GHG pathways WG, potentially on a regional basis, but it is unlikely that they will have anything ready in the coming months. A participant from this WG confirmed that it is too early, and it was said that the idea is good it would not fit in our timeline.
- It was suggested to define additional intermediate targets (as a maximum permissible limit) based on a science-based approach covering a e.g. 5 years period, making it clear to the Entities and auditors.
- It was said that 5 years is too long and was suggested to reduce that timeframe.
- It was suggested to keep the threshold for new smelters.
- It was suggested to change the language on the pathway, replacing “or” by “and”. It was added that 5.2a is not clear and should be further investigated.

## 2 Discussion

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- One participant suggested a broad brush approach this year, including 20% above the line and decreasing overtime, adding that in the next revision round we might have the exact pathways.
- It was suggested to have a straight line instead, which is a method used in the SBTs.
- It was suggested that in 5 years time, everybody should be below the 16.5 t/t (average at the moment), in 2030 on the line, and then stay on the curve; saying it is maybe more feasible than a straight line.
- It was noted that the WG was initially looking for advice and insights from the SC, but that the more detailed discussions need to happen in the WG. Their question was about inclusiveness and guidance on where to set an upper boundary.
- One participant raised that it is also a question of what is auditable, because we currently have a problem of audits that are not credible enough. Another participant replied that with a defined upper curve, milestones, and a yearly monitoring it is quite easily auditable.
- One participant asked if the SC could send back conditions to the WG for approval of the proposal. The first one being under the condition that they propose a milestone in relation to IEA data curve, and the second one being that different pathways are available.
- The Secretariat said that in terms of process, the SC can go back to the GHG WG but that will cause a delay of minimum 3 months in the Standards revision timeline and ultimately the release of the Standard.

## 2 Discussion

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- One participant said that if incremental improvement can happen, it is not feasible in a 5-year timeframe because building capacity, new equipment, etc. takes a long time. It takes up to 3 years only for design for example. It was noted that in many cases even the technology is not yet developed. The EIA pathways towards decarbonizing the grid have a technology curve, the line being flat for a while. Hence why this straight-line approach wouldn't work. This was agreed by another participant.
- The Secretariat asked whether the SC wanted to send this proposal back to the GHG WG.
- One participant replied not being in favor, saying this is the SC's task to solve this issue. This was supported by another view, saying the WG cannot solve this issue as their role is to give insights and not safeguard ASI's credibility, which is the SC role.
- Another participant replied being in favor of sending it back and was not comfortable with making a decision right now, as this is very critical issue, and expressed preference for being late than coming up with something that is not good enough.
- One participant asked if it was possible to send the concept as such for public consultation, with an agreement on the end point and consulting on the upper level. The Secretariat replied this was possible.
- Another participant asked whether the SC could decide on the line, and then the WG would figure out how to make that implementable. The Secretariat said that if the proposal is sent back to the GHG WG, it should be done with very precise questions and boundaries, to avoid going around in circles.

## 2 Discussion

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- It was also asked if it was possible to keep the 2 options in the Criterion: having a pathway approach or an absolute figure approach if you are not able to meet the pathway. The Secretariat said it was unusual but not impossible, the biggest problem being on the communication to external stakeholders.
- The Secretariat said that the GHG WG agreed and recommended all the blue language, except the part highlighted in yellow, and that if the SC wanted to reject the rest of the language it should be decided now to send the proposal back to the WG. The recommendation of the Secretariat was to not send it back to the WG.
- One participant asked to limit the discussion to choosing the upper boundary.
- It was discussed that the IAI figures show a pathway for the whole industry, which is not necessarily applicable to single facilities, while the challenge here is to set a pathway for single facilities. All players, below and above the curve, will have to follow different reduction pathways.
- A participant suggested to ask the WG to:
  - propose an upper limit along the pathway
  - propose intermediate targets along this pathway;based on this the SC could have a subgroup defining these values. And from then decide on this possible criteria. This was agreed by several participants.
- Another participant expressed that they didn't think that the WG would come with something clear and would prefer to take a decision now and see what comes in during consultation.

## 2 Discussion

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- A participant proposed to use the yellow curve and scale it to every starting point (around 15 t/t for example) and use that as different model pathways. Other participants said this was already included in the text, to which it was replied that only “a reduction pathway” was mentioned, the text does not say which one.
- It was raised by a participant that this is not realistic as we are dependent on new technologies that currently do not exist, and the industry has been looking for new technologies for decades and hasn’t been successful yet. When the new technologies will be available, it will also take decades to implement the change.
- The Secretariat summarized that the recommendation is to accept the WG proposal and focus on the upper threshold, with time allotted to that in March-April.
- A participant said that in this case they would vote for a very low upper limit, due to too much uncertainty at this stage.
- Another participant suggested to improve the text for post-Casthouse Entities as the pathway for 1.5 t/t is not defined, this objective requires a lot of investment in recycling, even if the 2.5 t/t target for primary is met. It was also said that this discussion is around primary only whereas these pathways are supposed to apply to the whole supply chain.
- One participant asked whether IAI could help inform and be involved in the SC discussions. Another participant replied that the SC discussions had to step out of industry associations, regulators, etc. to focus on ASI responsibility and the whole value chain.



## 2 Discussion

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- There was a vote between 3 options:
  - Decide in the SC
  - Send the proposal back to the WG
  - Send out as it is for consultation
- There was an agreement on deciding within the SC, by a smaller subgroup. The discussions will start again tomorrow to designate the people looking into it, the parameters and the timeline.

# ASI Standards Committee

Teleconference - minutes

14 October 2020

	Topic		Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions h. Progress/Status Update	Chair
2	Determine Path ahead for Principle 5		ASI
3	Pre-consumer scrap re-visited		ASI
4	Impacted Populations and Organizations Definition		ASI
5	a. Guidance on Noise for Criterion 6.1 b. Criterion 6.6	c. Criterion 6.7 d. Principle 6 Guidance	ASI
6	a. Criterion 7.3	b. Principle 7 Guidance	ASI
7	a. Biodiversity Guidance	b. Protected Areas Criterion Applicability	ASI
8	a. Criterion 9.6 Resettlements	b. Criterion 9.7 Local Communities c. Criterion 9.9 Security Practice	ASI
9	a. Criterion 10.2 Child Labour b. Criterion 10.3 Forced Labour	a. Criterion 10.4 Non-Discrimination	ASI
10	a. Agreed upon actions for Committee members	b. Agreed upon actions for the Secretariat c. Close	Chair

# 1a,b Welcome, Introduction & Apologies

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## a) Welcome

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

**Attendees:** Abdoul Khalighi Diallo, Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Jessica Sanderson (Novellis), Jostein Søreide (Hydro), Justus Kammüller (WWF), Marcel Pfitzer (Daimler), Neill Wilkins (IHRB), Rosa Garcia Pineiro (Alcoa), Stefan Rohrmus (Schueco), Steinunn Steinsson (Nordural), Tina Bjornestal (Tetrapak).

**ASI:** Cameron Jones, Camille La Dornat, Kamal Ahmed, Krista West

**Apologies:** Alexander Leutwiler (Nespresso), Gina Castelain (IPAF), Hugo Rainey (WCS), Louis Biswane (KLIM), Michael Frosch (BMW), Nicholas Barla (IPAF), Samir Whitaker (FFI).

# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Determine path ahead for Principle 5
3. Review and confirm SC Decision on pre-consumer scrap
4. Review and approve Definition for Stakeholders
5. Review and approve Criterion and Guidance for Principles 6, 7, 8

## d) Documents Circulated

1. ASI SC Teleconference 14Oct20
2. SC Disclosed Conflicts of Interest
3. Principle 8 TC
4. ASI - SCMemberApptProxyForm 14Oct20
5. ASI –SCMemberAlternateForm 14Oct20

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

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- e) Minutes for the meetings from October 12-21 will be distributed as one unit after October 21.
- f) Conflicts of Interest/Duty

*Disclosure sent with meeting package*

# 1g Log of Actions

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

1. The ASI Secretariat to draft guidance on noise before next meeting.
  - Completed and presented in Item 3
2. A Standards Committee member to check the latest guidance on management of Bauxite Residue from IAI for next meeting.
  - Completed and presented in item 3
3. One Working Group member to gather more information on the practice of marine disposal of treated SPL in Iceland.
  - Completed and presented in item 3
4. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
5. One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Open
6. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
7. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open

# 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		T?	T?	✓	✓ *	✓	✓		
Guidance	✓	✓	✓	✓	-	T	T					✓				

## Upcoming Meetings:

- 14 October: PS 5, Pre-consumer Scrap, PS 7 Standard & Guidance, 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

**\*Stakeholder definition, CoC 9.3 + new recommendations, PS 6.6 & PS 6.7**





## 2 SC Process for Decision on Principle 5

- Potential outline provided here to start the discussion only – all components open to discussion and agreement by the Standards Committee. Underlined bits are carried over to scope on next slide.

Who	What	When
Standards Committee	<ul style="list-style-type: none"> <li>• Appoint sub-committee to discuss and make recommendation on 5.2a</li> <li>• Sub-committee should be balanced: 2 P&amp;T, 2 IU and 4 CSO? Quorum required for a recommendation to be decided.</li> <li>• Determine precise scope of work of sub-group – discuss all 6 options presented by Justus or just propose and upper threshold and incremental targets?</li> <li>• Review and approve Criteria 5.1 and 5.2b (subject to any changes recommended by sub-committee)</li> </ul>	14 October 20
Sub-Committee	<ul style="list-style-type: none"> <li>• Within scope set by the Standards Committee meet by teleconference 2-3 time to discuss potential recommendations</li> <li>• Propose <u>one option only</u> for <u>5.2a</u> to the Standards Committee</li> <li>• Meetings to be minuted and shared publicly</li> </ul>	30 November – 04 January 21
Standards Committee	<ul style="list-style-type: none"> <li>• Review and approve recommendation of the Standards Committee</li> <li>• If further discussion by the Standards Committee needed beyond this date the timeline will be further delayed.</li> </ul>	15 January 20

## 2 Sub-Committee Scope

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- Potential outline provided here to start the discussion only – all components open to discussion and agreement by the Standards Committee
- Propose one (is two ok?) recommendation to the Standards Committee
  - Scope is for 5.2a only and must consider:
    - setting an upper threshold limit (or should this be broader – is the whole section open to discussion? What about items (iii) and (iv) on making targets and progress against targets publicly available?)
    - Alternative wording around the 1.5 tonne target for downstream entities.

## 2 Impact on Revision Process

Stage	Current	Revised
All decisions made by this date	20 October 20	15 January 20
Final Review and All Documents Approved for Consultation	17 November 20	22 January 20
Legal Review & Translation	04 January 20	26 February 20
	⋮	
Launch of Standard	December 21	February 22

\*This schedule assumes that all other decisions are made by the SC in existing schedule of meetings (14/15/19/20 October, 17 November, 16 December) plus 14 January.

\*Decision of Board on Pre-Consumer Scrap will be made 12 November 20

## 2 Criteria 5.1 Disclosure

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Recommended by the GHGWG:

**5.1 Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.

- 5.1 a) Disclosure of GHG emissions and energy use.** The Entity shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.
- b) All publicly disclosed GHG emissions data must be independently verified.**

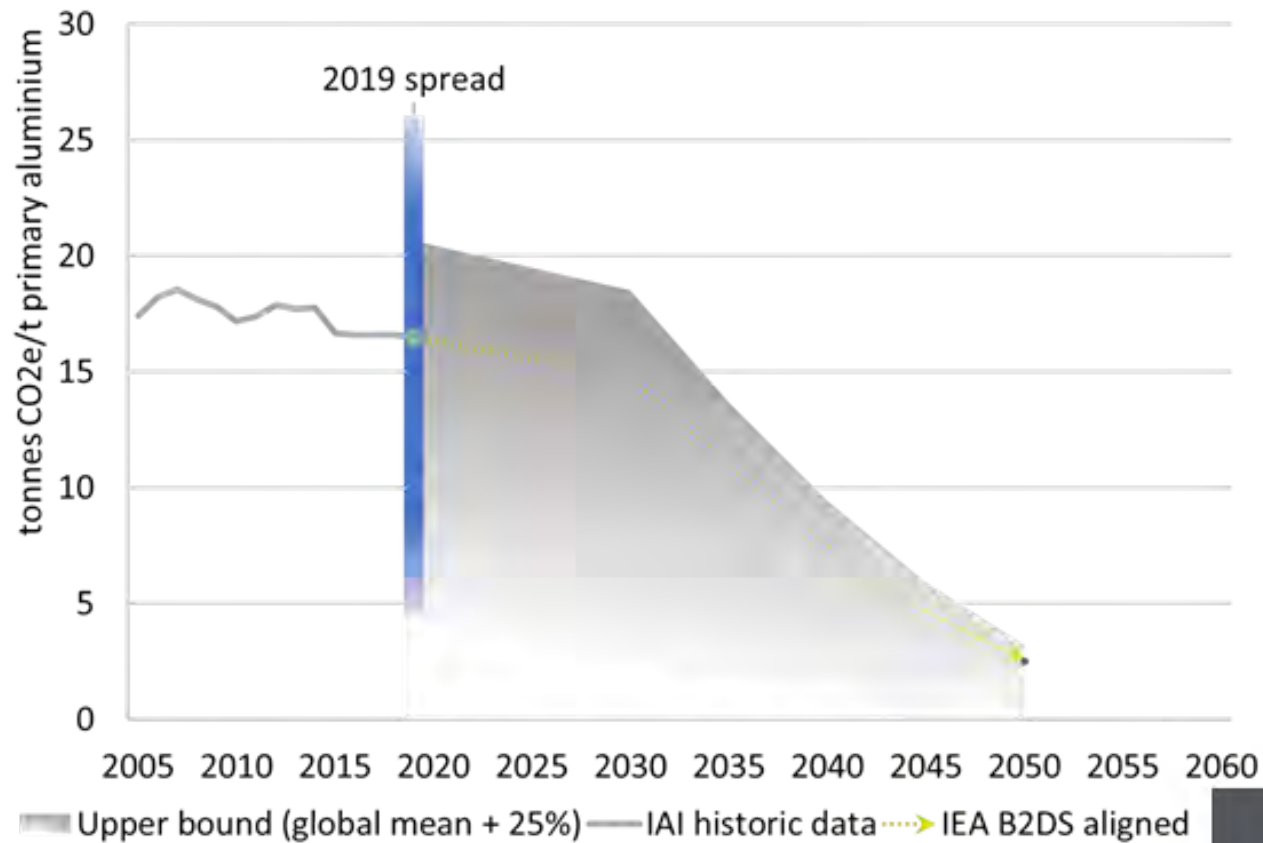
## 2 Criteria 5.2/3 Reductions

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5.2 **GHG emissions reductions.** The Entity shall publish time-bound GHG emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the material sources of Direct and Indirect GHG Emissions.

- 5.3 **Aluminium Smelters.** An Entity engaged in Aluminium Smelting shall:
- a) Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to limit the Direct GHG Emissions.
  - b) For Aluminium smelters in production up to and including 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by 2030.
  - c) For Aluminium smelters starting production after 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.

## 2 Criteria 5.2/3 Reductions



## 2 Criteria 5.2 Reductions – post meeting

- GHGWG was not able to reach consensus on 5.2a.
- Criterion 5.2b recommended by the GHGWG.

### 5.2a GHG Emissions Reductions. The Entity shall

- Establish GHG emissions reduction targets that ensures a reduction pathway consistent to the achievement of 2050 average global aluminium sector intensities of 2.5\* tonnes of CO<sub>2</sub>eq per tonne of primary aluminium, or 1.5\* tonnes of CO<sub>2</sub>eq per tonne of semi-fabricated product. **The Entity's reduction pathway must remain below the upper threshold limit of xx^** and include intermediate targets covering a period no greater than five years.
  - These targets shall address all emissions from mine to metal#.
  - These targets shall be publicly disclosed.
  - Progress against these targets shall be publicly disclosed annually.
- b. Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2 (a).

\* To be revised, following release of 1.5c warming scenario (SDS, IEA etc.)

^ To be determined post-consultation

# Refer to IAI methodologies

Highlighted text  
was not agreed on.

## 2 Criteria 5.2 Options Justus Kamueller

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### Principles and Values for our GHG criteria

#### Inclusivity



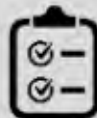
We want to **include the relevant players** in the market. This particularly means making it possible for Chinese and Australian entities to join into the transformation efforts and be certified.

#### Credibility



We want to maintain and expand the **credibility of our brand**, especially in relation to our eco-social targets. In relation to GHG emissions, this means setting criteria that are aligned with a 1.5° decarbonization scenario (towards (-> 2.5 / 1.5 t/t for ASI).

#### Auditability

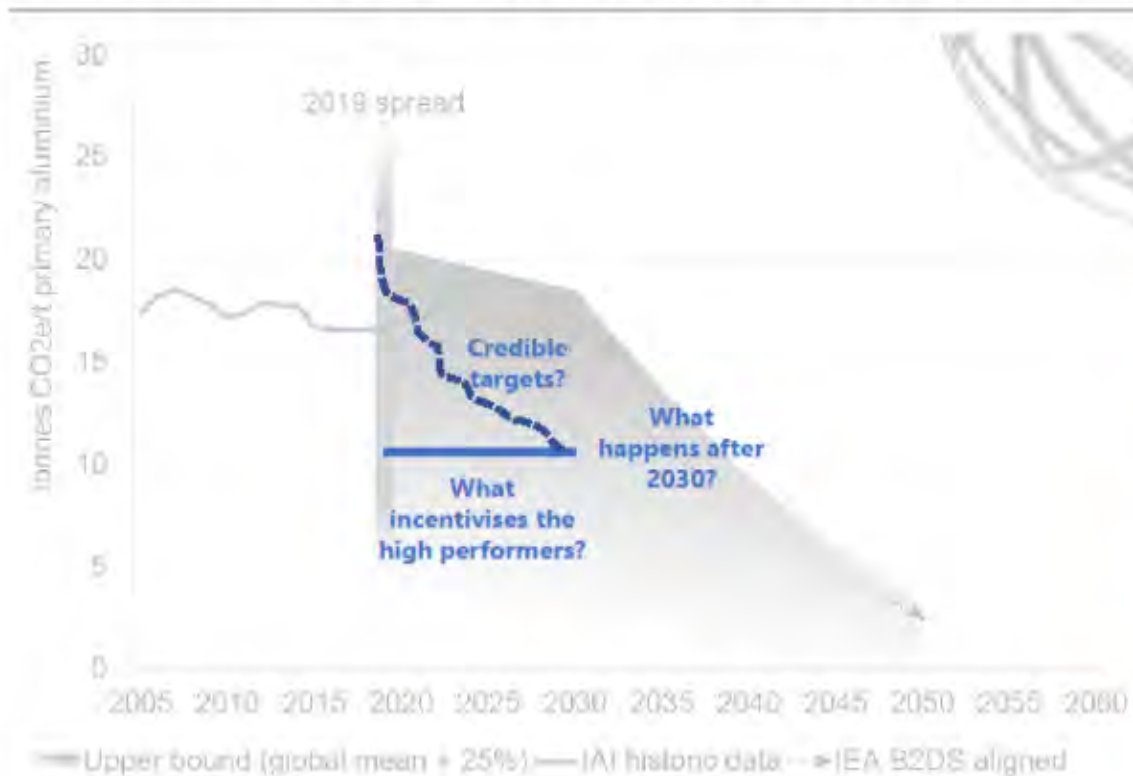


Whatever we design needs to be **auditable** in a reasonable manner. This means **transparency and clarity** on the one hand, and **credibility and believability of targets** on the other hand.



## 2 Criteria 5.2 Options Justus Kamueller

### Option 1: "Leave as is with 8t/t (ca. 12t for whole value chain)"



This solution is what we have now. 8t/t for new smelters, 8t/t for existing smelters in 2030 (shown here with 3-4t added for whole sector approach). No criteria for entities that are not smelters.

- Clear distinction between low and high performers
- Credible target, as 8t/t is far better than the average sector performance

- Exclusive, doesn't do enough to include majority of smelting sector
- Doesn't provide incentives for the already high performers
- Not a whole-value chain approach
- Lack of clarity "beyond 2030"
- Auditability and credibility of 2030 targets questionable



2/6

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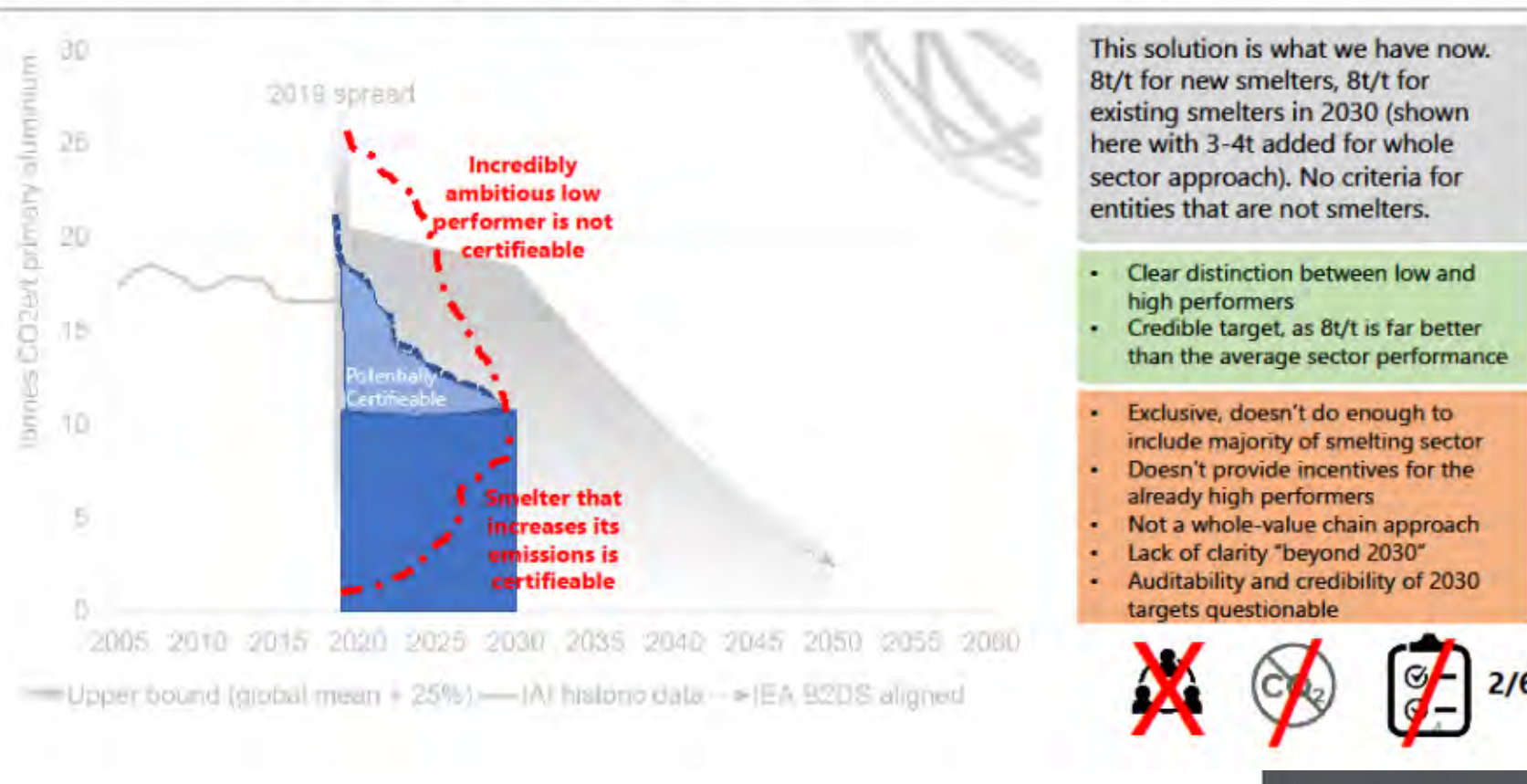
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2/6

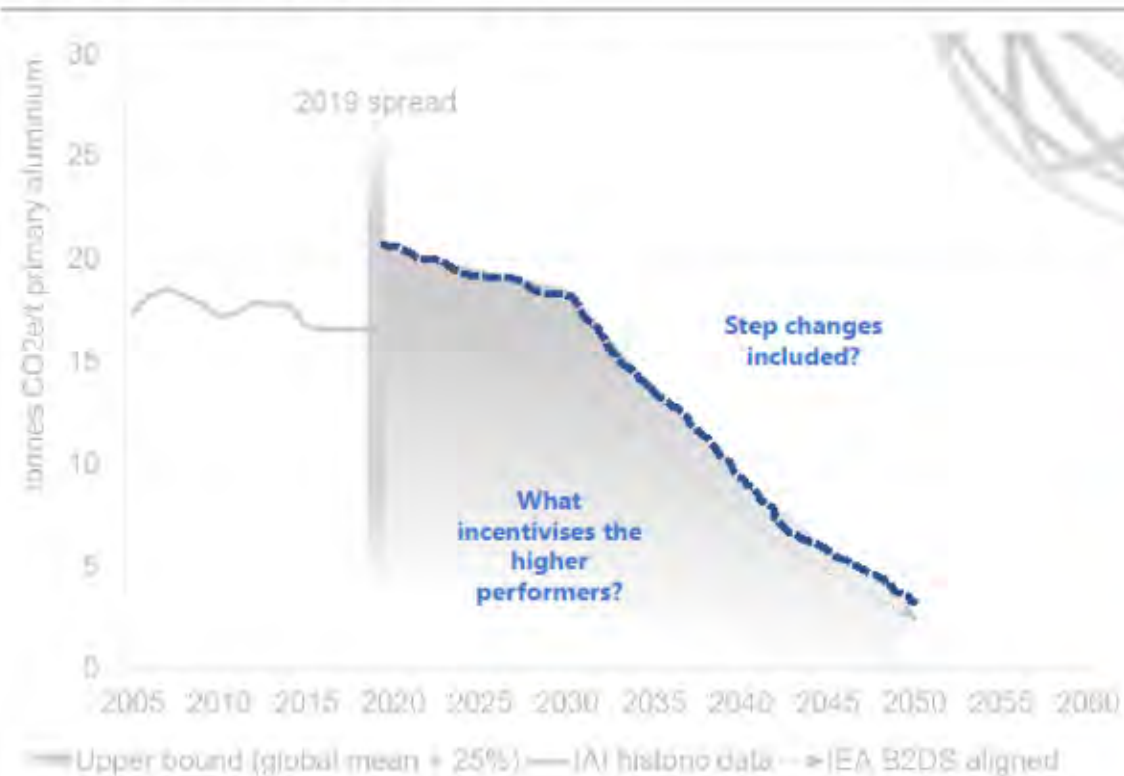
## 2 Criteria 5.2 Options Justus Kamueller

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## 2 Criteria 5.2 Options Justus Kamueller

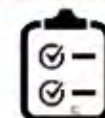
### Option 2: "IEA B2DS + 25%"



This solution would rely on a IEA scenario (to be revised soon in accordance with 1.5°) and add a 25% (or X%, SC decision) upper limit. Anything below the line at a given time is certifiable.

- Connection to science
- Distinction between middle + higher performers and lowest performers
- Reduction mechanism in line with external science-based pathway
- Auditable

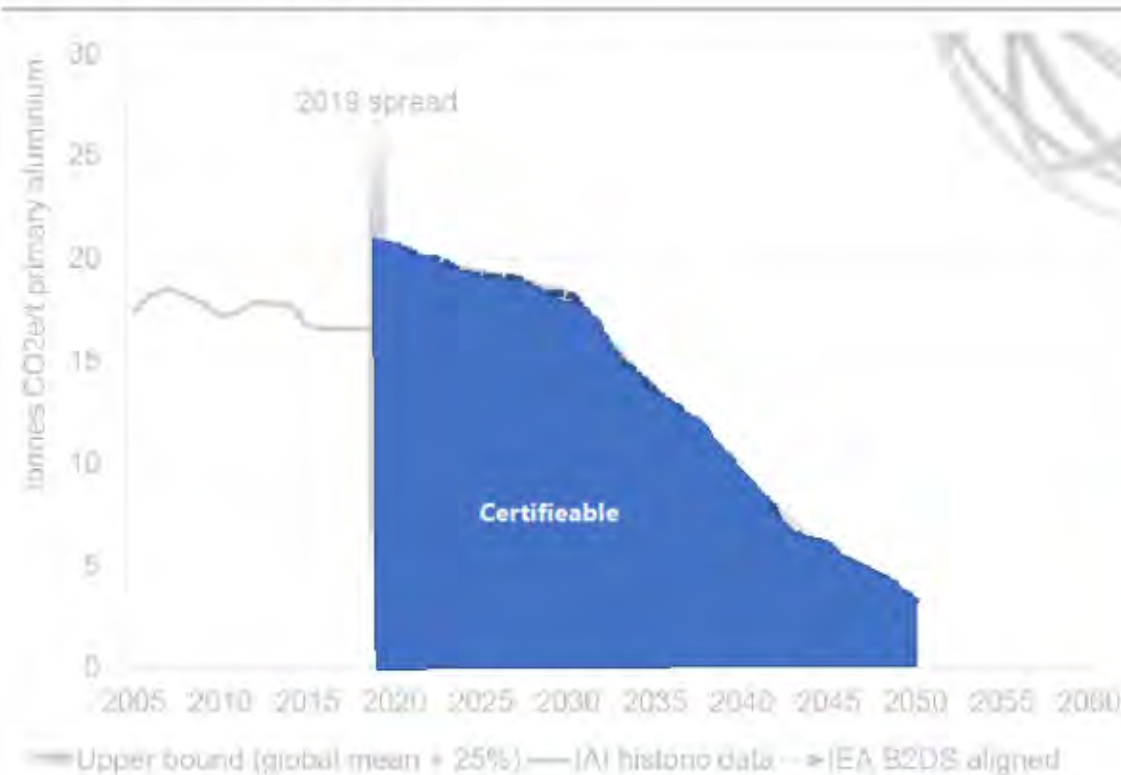
- Somewhat exclusive
- Credible only for low performers
- % upper limit purely value-based, so mix of value + science-based decision
- Auditable, but time consuming
- No incentive for higher performers



3/6

## 2 Criteria 5.2 Options Justus Kamueller

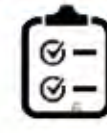
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3/6

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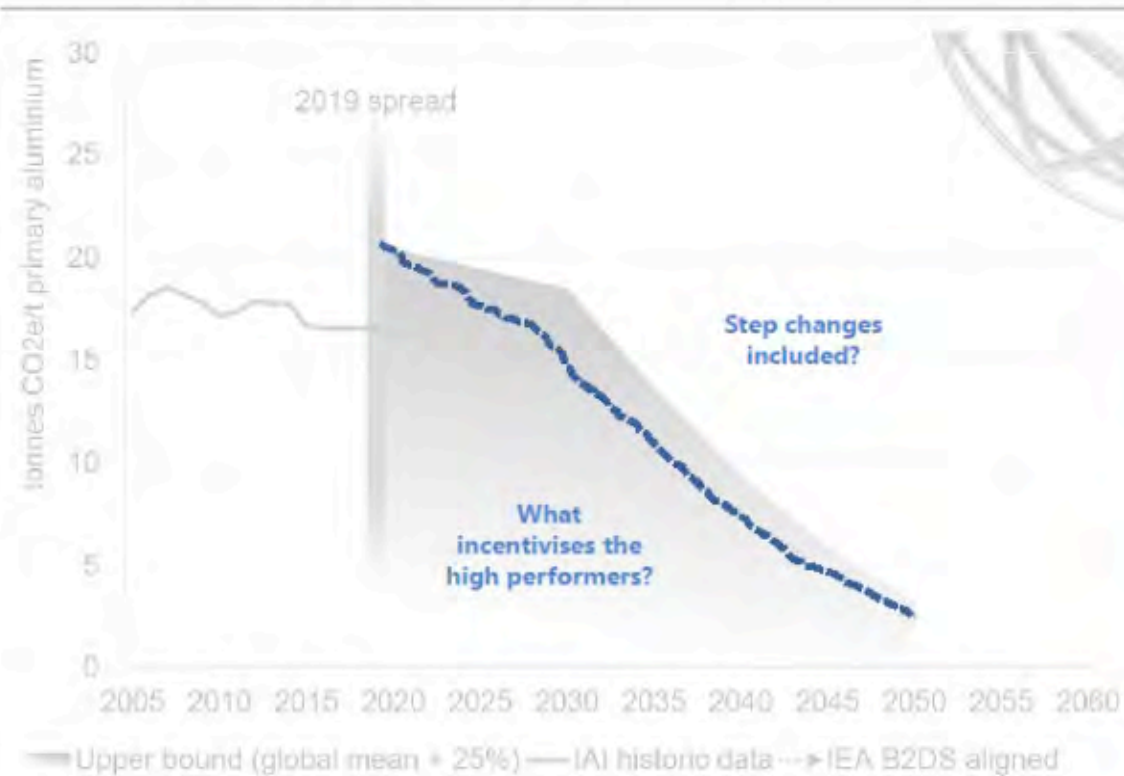
- Somewhat exclusive
- Credible only for low performers
- % upper limit purely value-based, so mix of value + science-based decision
- Auditable, but time consuming
- No incentive for higher performers



3/6

## 2 Criteria 5.2 Options Justus Kamueller

### Option 3: "IEA B2DS + 25% until 2030"



This solution would rely on a IEA scenario (to be revised soon in accordance with 1.5°) and add a 25% (or X%, SC decision) upper limit which converges to the industry average until 2030. Anything below the line at a given time is certifiable.

- Connection to science
- Distinction between middle / higher performers and lowest performers
- Reduction mechanism in line with external science-based pathway
- More credible + auditable after 2030

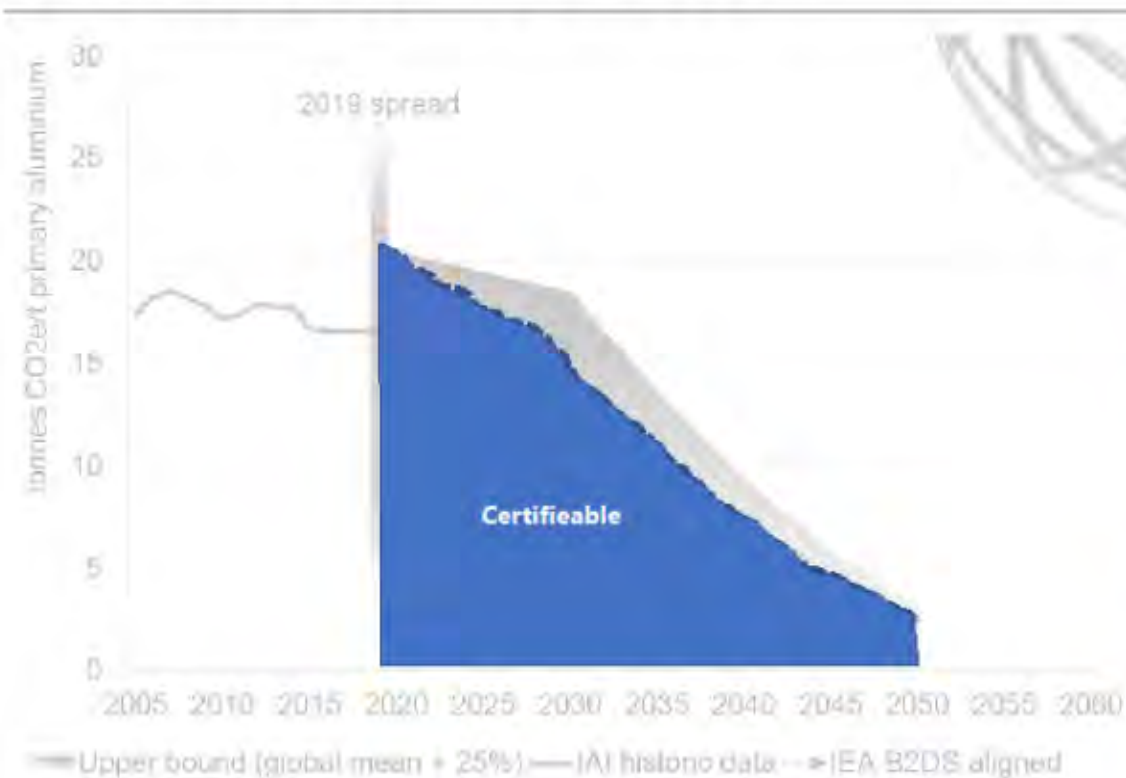
- Somewhat exclusive
- Difficult to audit in the first years for low performers
- % upper limit purely value-based, so mix of value + science-based decision
- No incentive for higher performers



4/6

## 2 Criteria 5.2 Options Justus Kamueller

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  - Reduction mechanism in line with external science-based pathway
  - More credible + auditable after 2030
- Somewhat exclusive
  - Difficult to audit in the first years for low performers
  - % upper limit purely value-based, so mix of value + science-based decision
  - No incentive for higher performers

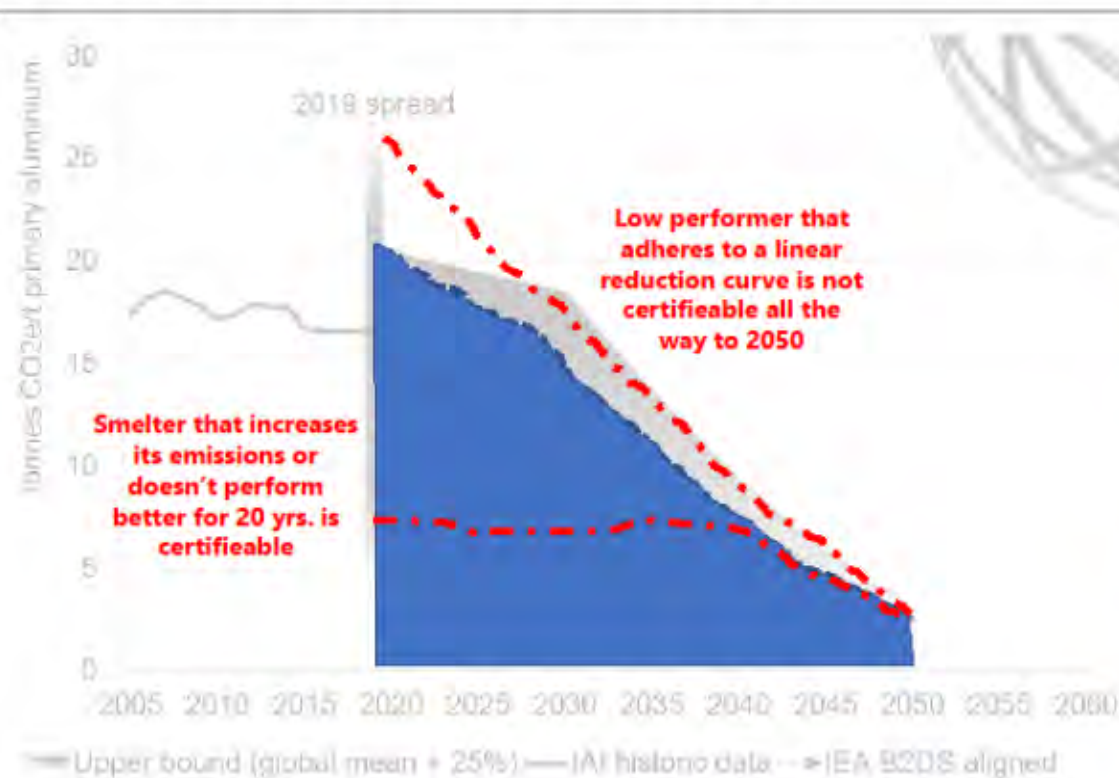


4/6



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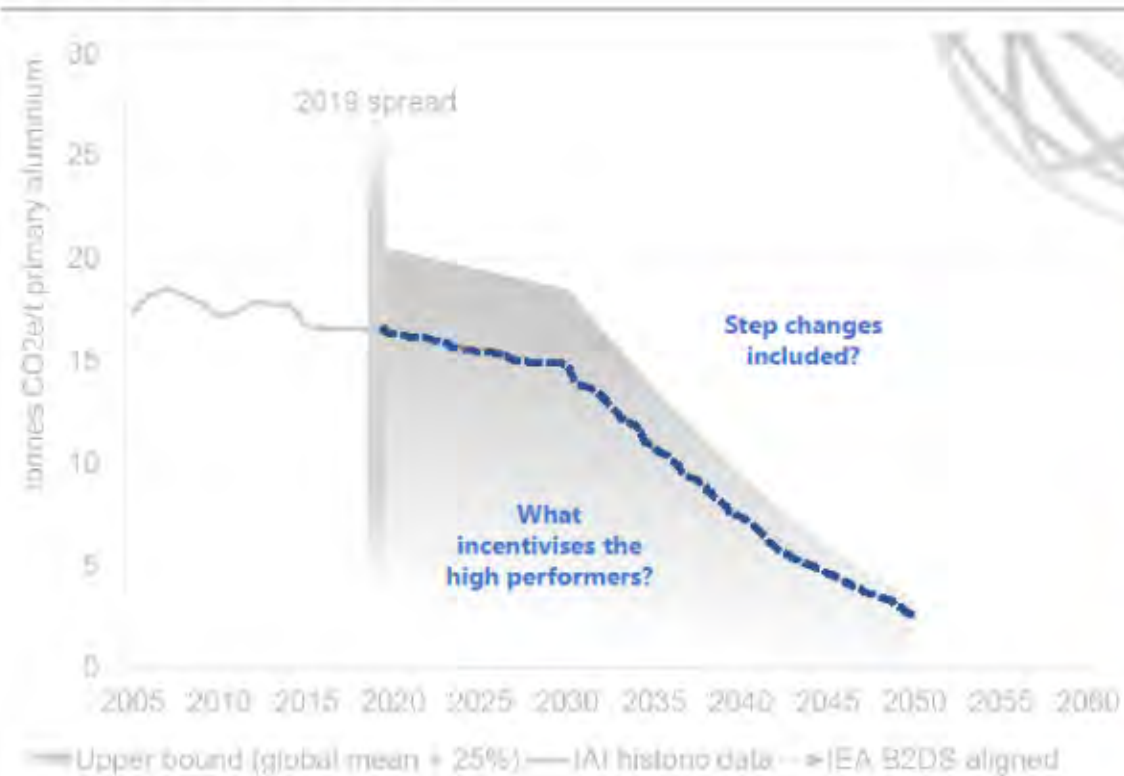
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- No incentive for higher performers



4/6

## 2 Criteria 5.2 Options Justus Kamueller

### Option 4: "IEA B2DS"



This solution would rely on a IEA scenario (to be revised soon in accordance with 1.5°). Anything below the line at a given time is certifiable.

- Connection to science
- Distinction between science-based performers and those that don't
- Reduction mechanism in line with external science-based pathway
- Credibility linked to science
- Easily auditable

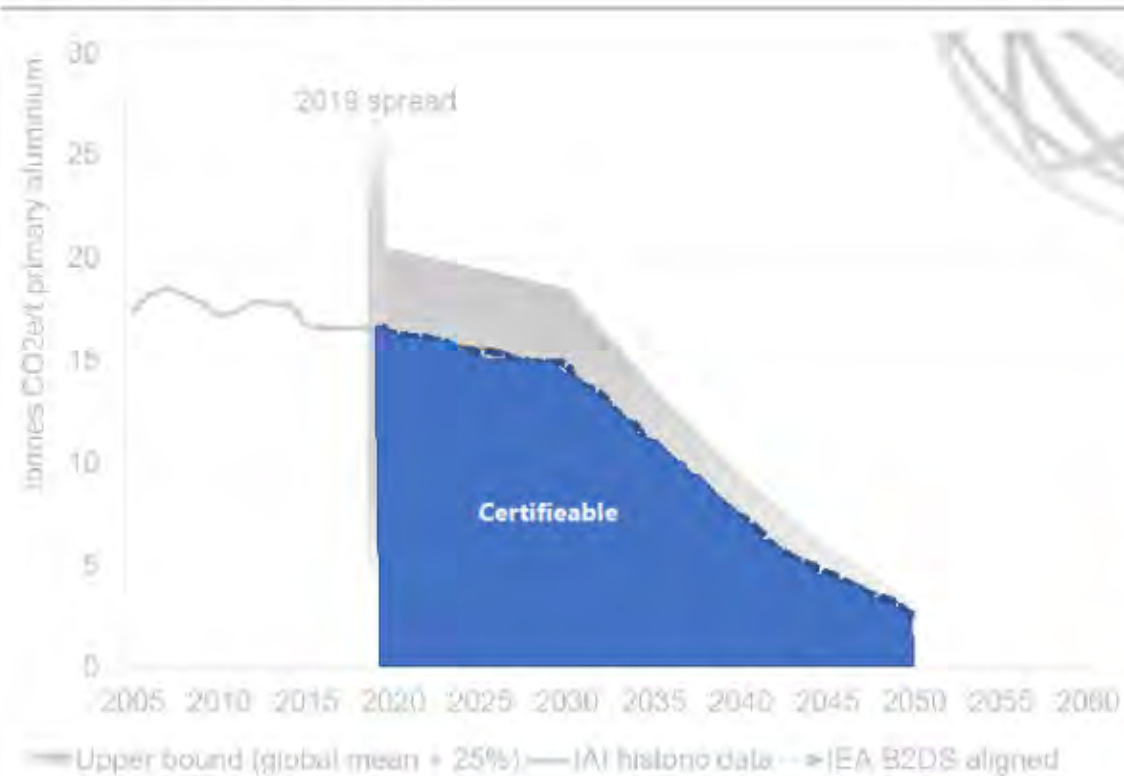
- Exclusive, but based on science
- Step changes not possible
- No incentive for higher performers



3.5/6

## 2 Criteria 5.2 Options Justus Kamueller

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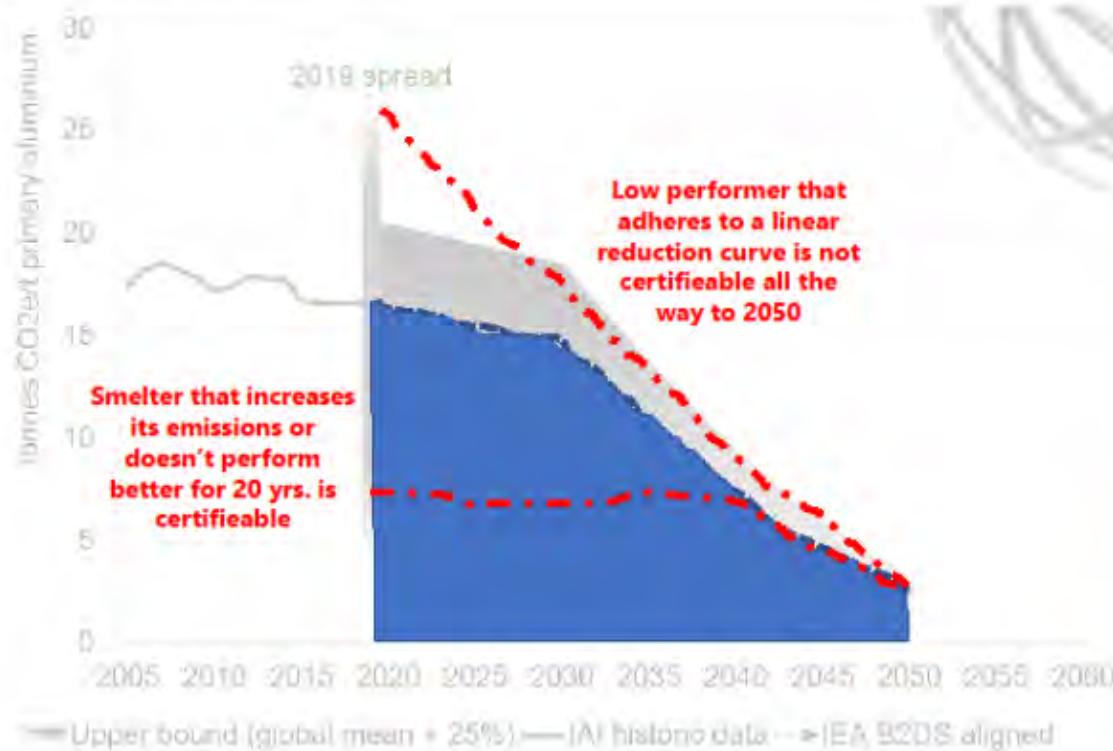
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3.5/6

## 2 Criteria 5.2 Options Justus Kamueller

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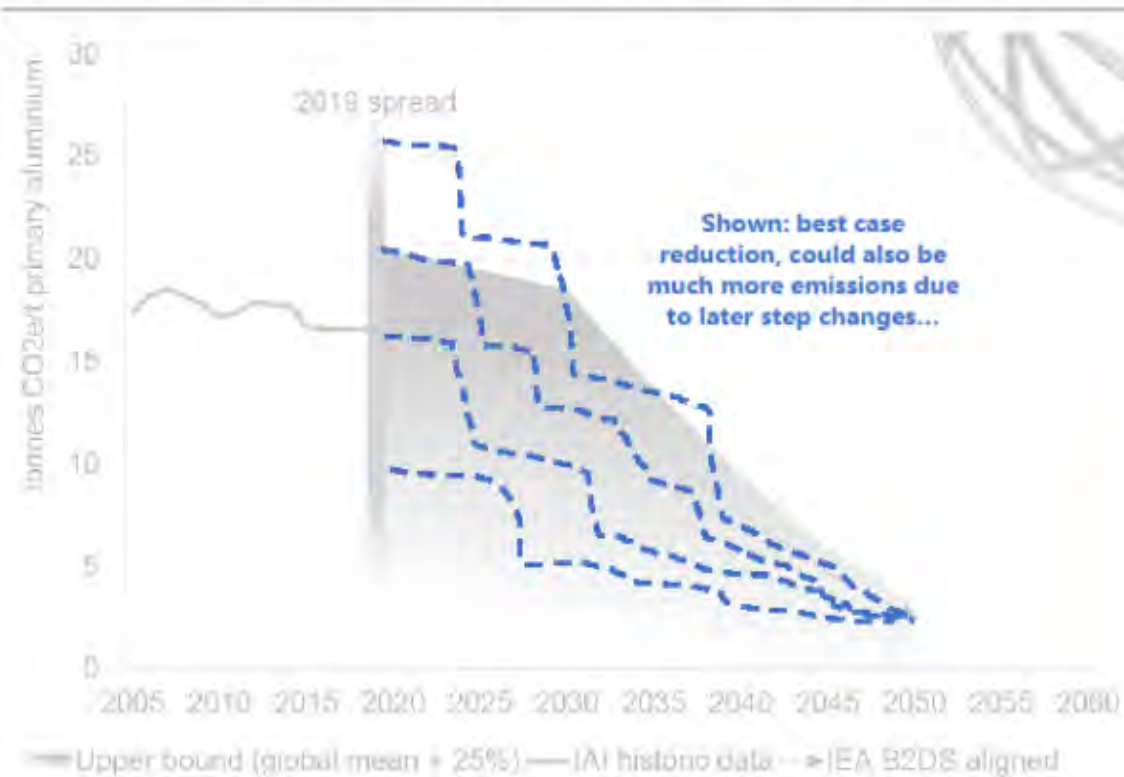
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3.5/6

## 2 Criteria 5.2 Options Justus Kamueller

### Option 5: "Model Pathway Step Change Reduction with Maximum Inclusivity"



This solution would rely on the definition of very specific "model pathways" (regional / political / technology) that would need to be set at an entity basis, communicated externally, and then adhere to.

- 100% inclusive
- Credibility linked to pathways
- Incentification to adhere to pathway

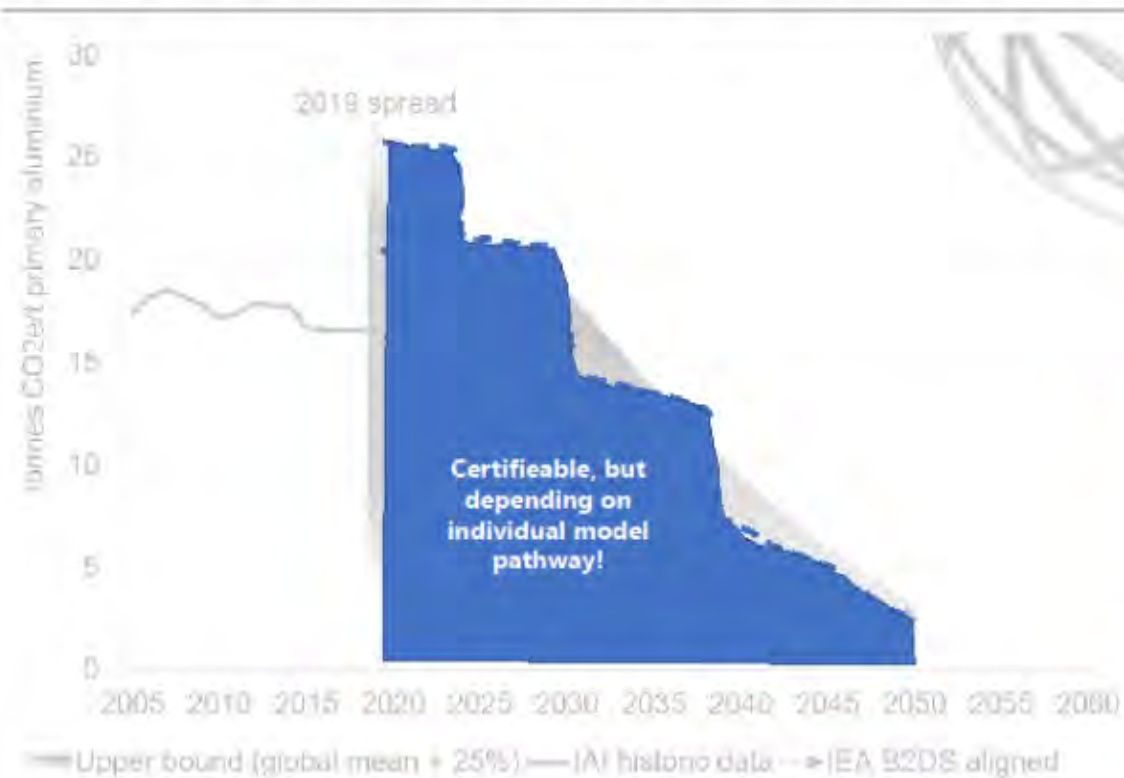
- Very high credibility risk at start (all coal-fired smelters in standard without credible reduction scenario)
- Extremely difficult to define models
- Unclear if science-based
- Difficult to communicate externally
- High incentive to calculate unambitious pathway
- Incentification questionable



3/6

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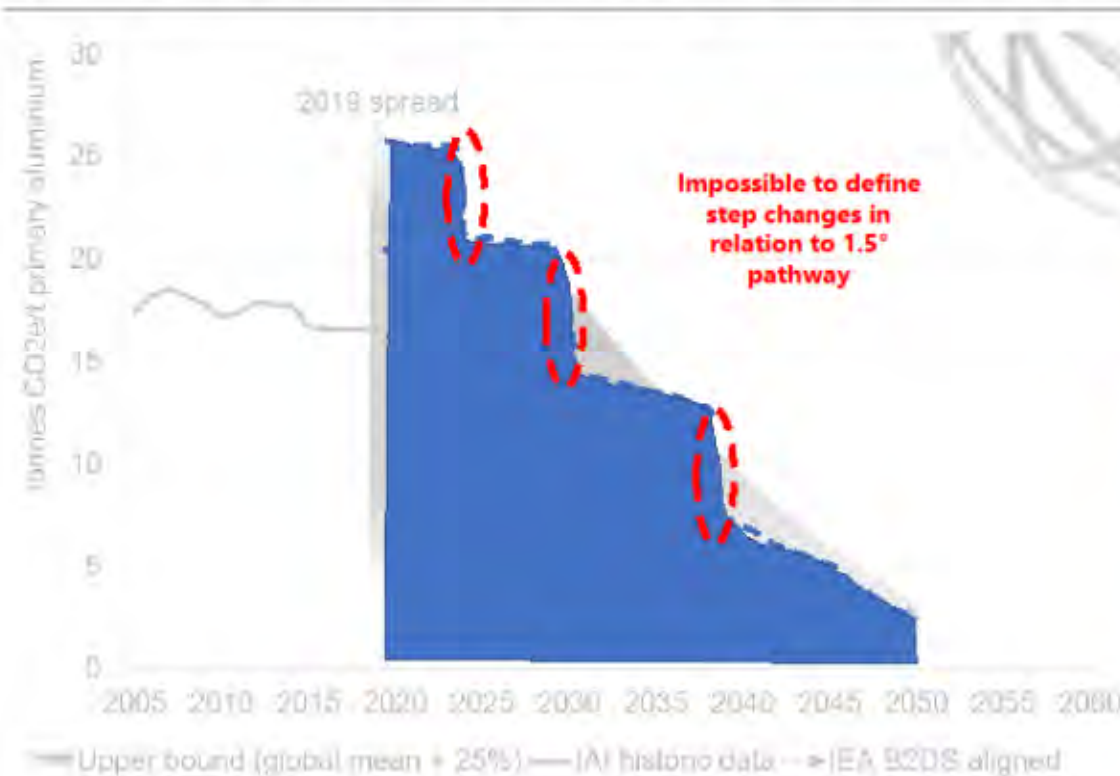
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3/6

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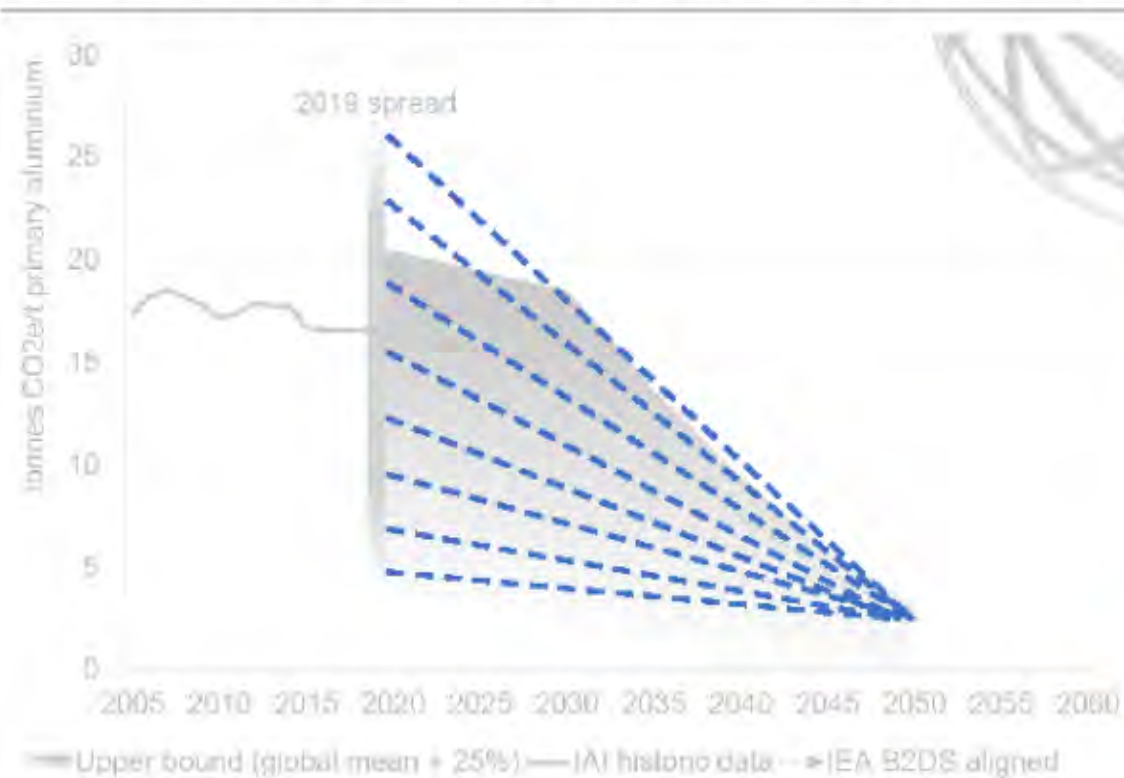
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3/6

## 2 Criteria 5.2 Options Justus Kamueller

### Option 6: "Linear Reduction with Maximum Inclusivity"



This solution would include every possible entity, and apply the same reduction of ca. 3% (as 100% reduction / 30 yrs. = 3%) to every entity, no matter what starting point.

- 100% inclusive at starting point
- Relation to mandated SBT (called the 2% method)
- Clear distinction between science-based performers and the rest
- Credibility linked to science
- Easily Auditable
- Everyone is incentivised
- Potential to join after step change

- Step changes would need to be realized before certification

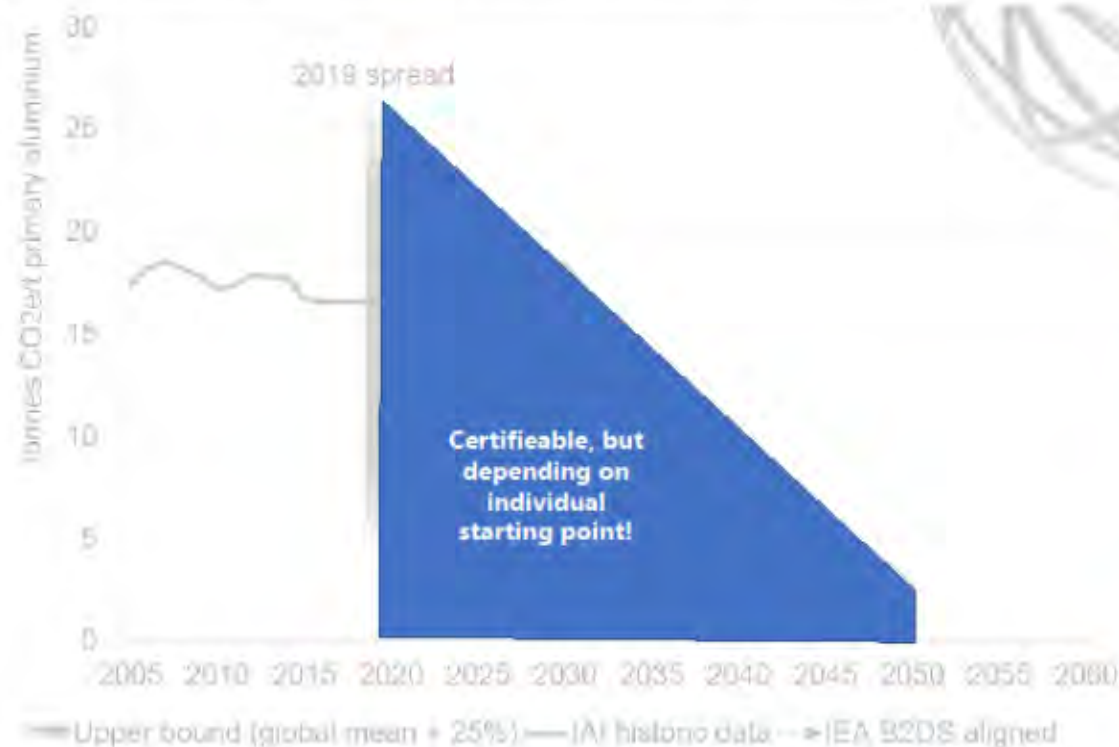


5/6



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5/6

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5/6

## 2 Criteria 5.2 Options Justus Kamueller

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### Summary and conclusion

#### Inclusivity

As can be seen in the slides thus far, **no approach is perfect**. The approach that scores "best" (this is up for discussion) on all three aspects is option 6, which means going for maximum inclusivity and then using a linear "3" % reduction pathway.

The question on the table is still: **are we fulfilling our role as ASI** with such an approach which, in any case, is highly dependent on a lot of very good and time consuming auditing, and extensive justification of targets.

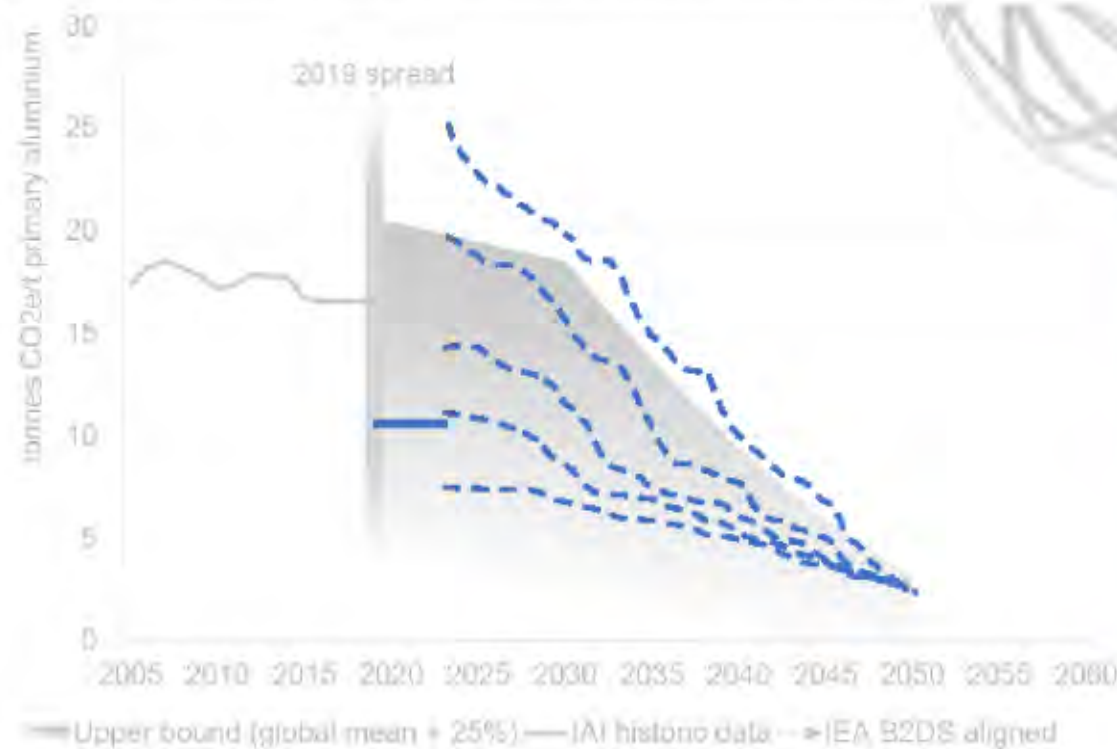
#### Credibility

One proposal which we had on the table in the very first WG meetings could be reconsidered: transferring the weight of the auditing to the organizations that set the methods and mandate for SBTs (e.g. SBTi), and simply state in our criteria that we require a science-based target mandated and monitored by the Science-based Targets Initiative. As this is not (perfectly) possible at the moment, but will be so in the coming 1-2 years, we could simply leave the 8t/t and add "or a SBT mandated by the SBTi". That way organizations are incentivized to push the SBT development, the ASI is relieved of the bulk of the auditing and monitoring, the criteria is extremely credible, never needs to be revised again, and it is inclusive to the right point: science.

#### Auditability

## 2 Criteria 5.2 Options Justus Kamueller

### Option 7: "8t/t or SBT when it becomes available"



This solution would use the 8t/t until the official and mandated SBTi methodology for the sector became available fully.

- Inclusive to all entities after the methodology is available
- Credibility always given
- Best available science
- Setting an industry best-practice, positioning aluminium as the sustainable material in the market
- Incentive for all entities to change after the methodology is there
- Lower performers have a some time to adjust and respond to new reality
- Incentive for all industry players to support the development of the aluminium SBT method quickly
- Burden of auditing greatly reduced
- Possibility to include step change logic in SBTi target and strategy

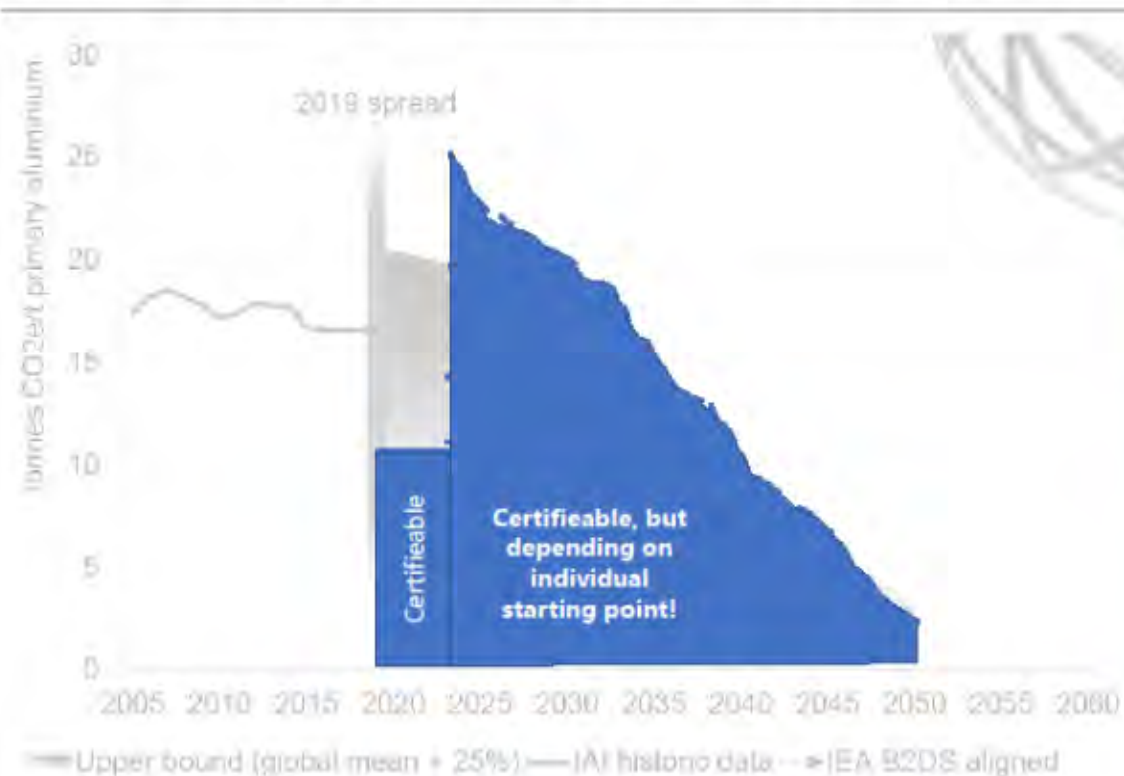


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## 2 Criteria 5.2 Options Justus Kamueller

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5.5/6

## 2 Criteria 5.2 Options Justus Kamueller

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### New criteria as per possible Option 7

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#### 5.2a GHG emissions reductions. **Every Entity shall**

- i. Set a GHG reduction target approved and monitored by the Science-based Targets Initiative (SBTi)
- ii. The targets developed in (i) shall be publicly disclosed.
- iii. Progress against the targets developed in (i) shall be publicly disclosed annually.
- iv. Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the targets developed in 5.2a i.
- v. In the absence of an appropriate target setting method for the aluminum sector, the entity shall develop, publicly disclose, and annually report on progress towards an ambitious GHG reduction target.

#### 5.2b **Aluminium Smelters.** An entity engaged in Aluminium Smelting shall adhere to the performance criteria set in 5.a i-iii. In the absence of an appropriate target setting method for the aluminum sector, the entity shall

- i. For Aluminium smelters in production up to and including 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium by 2030.
- ii. For Aluminium smelters starting production after 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO<sub>2</sub>-eq per metric tonne Aluminium.

## 2 Discussion

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- It was stated that having a smaller group to delve into the detail is a good one, and the larger group came to the discussion with a very wide variety of angles – making reaching consensus a little difficult.
- One Member suggested that 8 is too large a number for a sub-committee, perhaps 6 would be more appropriate.
- Would the decision of the sub-committee be made on behalf of the full SC, and therefore the full SC would not re-discuss? This is an important point to agree upon before the sub-committee commences discussion. It was suggested that options could be prepared by the sub-committee and then presented to the full SC for a final decision. It was agreed that the sub-committee would make a recommendation, but that it wasn't binding and the SC would ultimately be responsible for making the decision and could reject or revise the recommendation.
- It was agreed that if the sub-committee could not reach consensus they could bring two options back to the SC.
- It was asked if the scope for discussions for the sub-committee is just primary? What about the representation for the semi-fab/transformation part of the supply chain? This should also be considered during the sub-committee deliberations.

## 2 Discussion

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- It was suggested that perhaps an additional smaller group for 'downstream' only could also be established, especially as there has been less technical work done on a pathway for 'downstream', compared with 'primary'.
- It was mentioned that the current interpretation of the SBT approach fails to fully understand the recycling component and provides a critical contribution towards the overall reduction of emissions across the supply chain.
- It was then noted that the technical background (from IAI, IEA etc.) for downstream activities with respect to setting a SBT and pathway is still deficient. Therefore, if any sub-committee was established, they would not have enough to work from.
- One concern was raised, and that needs to be discussed by the sub-committee, is that the having both primary and downstream in the Criterion together is causing complexities, and this should be considered by the sub-committee in discussions.
- The Secretariat asked the question for clarity on why the Standards Committee did not feel the GHGWG should resume their discussions. It was responded that from both a timing point of view, and also the 'value' component of this Criterion.



## 2 Discussion

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- Nominations for interest in the sub-committee were requested (via chat box):
  - Justus
  - Jessica
  - Catherine
  - Jostein
  - Steinunn
  - Annemarie
  - Rosa
  - Giulia
- A question was asked – does the sub-committee want to seek technical expertise on specific issues (i.e. SBT)? It was responded that yes this technical support could be sought if desired.
- The SC was asked whether these participants (see above) were appropriate and the mix between supply chain activities and CSO was ok. The SC endorsed the list.
- It was confirmed that this sub-committee would report its outcomes back to the SC.
- Updates from the sub-committee are only expected if there was any contentious issue(s) raised.

## 2 Discussion

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- It was clarified that the scope of sub-committee discussions is for 5.2 only, but it could be expanded to incorporate a new criterion or sub-criterion, depending on discussions held and conclusions reached.
- It was also clarified that if a threshold ends up being incorporated, the threshold needs to also be developed by the sub-committee.
- A question was asked, does the scope address the 'inclusivity' issue? The SC agreed that it does currently.
- Are the 'auditability' and 'credibility' issues addressed in the scope? It was clarified that these are inherently incorporated in the options that are put forward.
- The definition around 'downstream' will still need to be clarified with respect to 'Production and Transformation'.
- It was confirmed that this sub-committee will still proceed as per any SC meeting, with quorum, minutes, chair/lead, Secretariat presence etc.
- It was also confirmed that 3 meetings (max.) is likely to be enough for the sub-committee to reach a decision.

## 3 Pre-Consumer Scrap

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?

## 3b Pre-Consumer Scrap

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Recommend looking at this in two parts:

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:
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  - b. Allowing all Pre-Consumer Scrap.



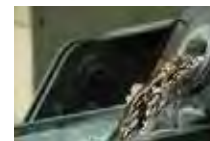
## 3b Pre-Consumer Scrap

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.

- During the September meeting where pre-consumer scrap was discussed there seemed to be support for this change
- Pre-consumer scrap in this category is still known to be sourced from certified primary or post-consumer scrap
- Only difference from current system is the re-melting Facility is not required to be certified in this model.



**Certified** Semi-fabrication



**Non-Certified**  
Refining and re-melting of scrap

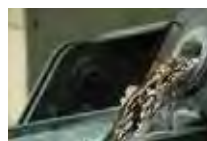
## 3b Pre-Consumer Scrap

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.

- During the September meeting where pre-consumer scrap was discussed there was concern about this change as material not from certified primary or post-consumer could enter the ASI supply chain and this could potentially be a risk for ASI.



Non-Certified  
Semi-fabrication



Certified Refining  
and  
re-melting of scrap

Aluminium  
Stewardship  
Initiative

## 3 Discussion

- It was confirmed that option '2' was outright rejected by the SC, however option '1' (closed loop) is still on the table.
- It was raised as a concern that in the closed-loop scenario, there may be a problem where additional metal could be added and that a re-melter cannot sell more than it receives.
- A further comment was that the definition of 'closed loop' reaffirms that this cannot occur, and will need to be enforced.
- The metal MUST go back to the same semi-fabricator in this scenario and therefore control is with the certified Entity.
- If the customer is non-certified therefore the metal received is also non-certified, despite the controller being a certified Entity?
- It was noted that this could be an incentivizing opportunity over time to get more certified metal in the overall CoC system.
- It was clarified that in the CoCWG, it was not just certified semi-fabricators in the scenario – it can also involve other activity types (i.e. Material Converters).
- It was raised that perhaps the wording should say the same facility, but however provided it goes back to a facility within the same Certification Scope, this is a valid scenario.

# 3 Discussion

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- What about the non-certified facility in this situation? It was suggested that a due diligence component on the non-certified facility be incorporated.
- However, it was noted that a Member doing due diligence on a customer might be difficult commercially, especially if the customer is a large organization (e.g. VW, BMW, Coca-cola etc.)
- This is done occasionally, however it can be a challenge as customers have their own processes, and Members just check that they have processes in place.
- This would not necessarily need to be too complex an assessment for a large, reputable organization. Could the requirement on the Certified Entity just incorporate a measure where a customer/supplier risk assessment is required?
- It was then noted that the ‘responsible sourcing policy’ requirement of the Standard largely addresses this.
- Due diligence is a widely referenced concept and requirement within the CoC Standard, and would be a lot more work for Certified Entities.
- It was then suggested that a link to the requirements under ‘responsible sourcing policy’ would be appropriate in this instance.





# 3 Discussion

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- Revised wording: *“Certified Refining and re-melting of scrap under an agreement with an uncertified Entity.”*
- The scenario on the ‘3b Pre-consumer Scrap’ slide was then ‘flipped’ and discussed, where a non-Certified Entity receives certified metal from a re-melter.
- Because this was ‘closed loop’ does this matter? The cap on input percentage however is different where a non-Certified Entity can sell more ASI scrap, whilst a Certified Entity can only sell 50% of pre-consumer scrap as ‘certified’.
- A comment was made (via ‘chat’) can we include a more targeted "ramp up", e.g. saying that any uncertified facility participating can only do so for 5 years and then needs to seek certification?
- A concern was raised where some scenarios may result in ASI metal being ‘lost’ out of the system due to some scrap being sold out of the loop. This could be quite prevalent downstream, where pre-consumer scrap volumes are significant.
- **Action – revised minutes from October 1 CoCWG to be distributed to SC that will capture these revised wording suggestions.**
- **The revised wording will need to be validated by the SC.**

# 4 Affected Populations and Organizations

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Definitions agreed to by the HRWG and previously discussed by the Standards Committee. The SC asked the BESWG to review the definition of Stakeholder and that is done and included in the next slide.

Affected Populations and Organizations includes:

- Rightsholders and
- Stakeholders that have been identified as associated with the operation and the operation's associated facilities
- potentially impacted local Communities (including nomadic Communities, Communities living near an extractives concession, downstream from a river near the site, or along a transport route or near associated infrastructure such as energy grids or processing plants)
- Indigenous Peoples

# 4 Affected Populations and Organizations

Definition agreed to by the HRWG, with changes suggested by the BESWG (in red)

## Stakeholders

Stakeholders are persons or groups who are directly or indirectly affected by a project and **its associated facilities**, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. From a due diligence perspective impacted stakeholders will be the priority for engagement and may include but are not limited to:

- ~~project~~ Workers (including local and migrant workers) **and trade unions**
- Land owners **and other resource users**
- artisanal miners
- ~~Host~~ Governments (local, regional and national)
- ~~Local~~ CSOs, **including environmental and** community-based organisations and local human rights defenders

Additionally interested Stakeholders that may be important for meaningful engagement ~~may~~ **can** include:

- ~~NGOs~~
- Industry peers
- Investors/~~shareholders~~
- Business partners
- **Scientific Community**
- The media
- **Ecosystems and biodiversity features (represented by advocates)**

(Derived from the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector)

# 4 Affected Populations and Organizations

---

Definition agreed to by the HRWG, with changes for consistency (in red)

## Rightsholders

All people have Human Rights and thus all Stakeholders as individuals are 'Rightsholders.' However, not all Stakeholders will have their Human Rights put at risk or impacted by an extractive project or its associated ~~activities~~ **facilities**. It is important to identify Human Rights risks related to extractive activities among Stakeholders and recognise such Stakeholders as 'Rightsholders' in the context of engagement activities. For example, individuals living in a Community whose only local water source has been impacted by an extractive operation may be Rightsholders. Workers facing discrimination in the workplace may also be Rightsholders. In addition, certain groups such as Indigenous Peoples are recognised as being vested with collective rights and consequently the group itself would be considered a Rightsholder. Identifying Rightsholders will help to ensure that Human Rights with regards to these risks are recognised and respected. (Derived from the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector)

## 4 Discussion

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- One concern was raised that ‘associated activities’ has a broader range/reach of impacts as opposed to ‘associated facilities’.
- It was responded that ‘associated facilities’ is a pre-defined definition in the Standard. The change was made to ensure consistency with the remainder of the Standard.
- It was argued that activities is much broader and should not be changed.
- **The Definitions for Affected Populations and Organizations, Stakeholders and Rightsholders were agreed to, subject to ‘associated Facilities’ being changed to ‘associated activities’ – as displayed on slides 99 and 100.**

# 5a Criterion 6.1 Guidance on Noise

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Consideration for the Standards Committee:

- It was previously agreed by the SC to include Guidance in 6.1 on Noise. Suggested text below.

## **Criterion 6.1 Guidance**

- An Entity must also consider dust as a potential source of fugitive emissions to air. These may include (but not limited to) dust emissions generated from activities such as earthmoving, transport activities and from exposed bare earth. Uncontrolled dust emissions may lead to negative impacts on ecological and human health. Consideration of the impact of dust emissions on local communities are discussed in 9.7 and 11.2 for consideration of potential impacts to occupational health. Potential impacts from dust emissions on biodiversity should be considered as part of Criterion 8.1.
- The attenuation of noise emissions is fundamental in reducing not only impacts to worker and community health, but also any potential impacts to biodiversity. Attenuation of noise can be achieved through operational controls such as (but not limited to), installation of insulative materials, installing sound walls, enclosing equipment, and restricting the operating hours of fixed and mobile equipment.

# 5a Discussion

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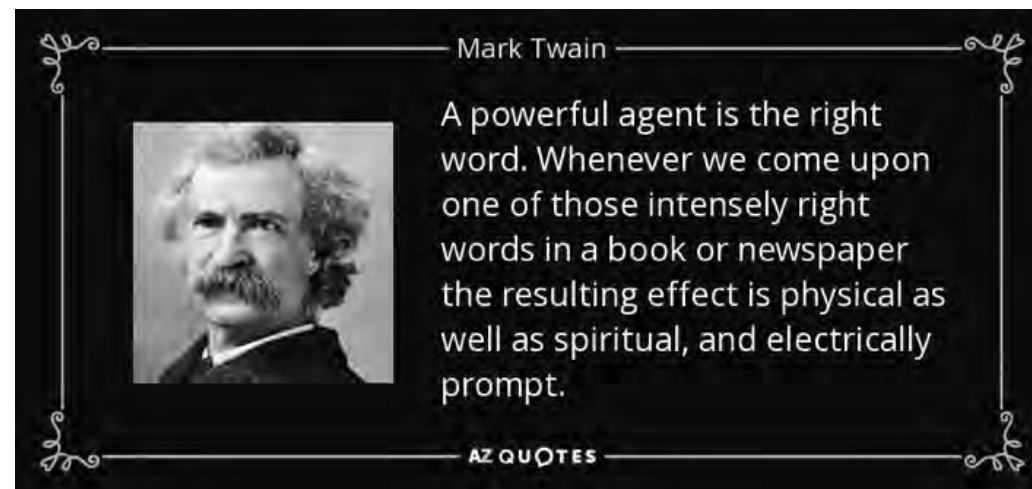
- The additional guidance for Criterion 6.1 was agreed.

## 5b Criterion 6.6 Bauxite Residue

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### Consideration for the Standards Committee:

- The deletion of 'marine and' was previously agreed to by the SC.
- Question from SC member: Is 'neutralise' sufficient in (d) - are there other risks such as making sodium and other elements bioavailable.
- Feedback from IAI as well as company experts:
  - Neutralisation of leachate water prior to discharge is a reasonable universal, minimum requirement that should be applicable to all sites, independent of receiving body
  - Adding "treatment" as a universal requirement would not be sufficient to address other risks as the needed treatment would be context/site/receiving body specific (i.e. not universal)
  - Need for other treatment is thus dependent on location and should be evaluated based on potential impacts. As a result, requirements should be more directed towards impact assessment of the final discharge and identification of mitigating actions





## 5b Criterion 6.6 Bauxite Residue

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### **6.6 Bauxite Residue**

- a. An Entity engaged in Alumina Refining shall:
- b. Have constructed storage areas in a manner that effectively prevents the release of Bauxite Residue and leachate to the environment.
- c. Perform regular checks and controls, including those conducted by third parties, to ensure the integrity of the Bauxite Residue storage.
- d. **Assess water discharge from Bauxite Residue storage and mitigate any material potential impacts to the environment.**
- ~~d. Control and neutralise water discharge from Bauxite Residue storage, to minimise impacts to the environment.~~
- e. Not discharge Bauxite Residue to ~~marine and~~ aquatic environments.
- f. Establish a timeline and a roadmap for the elimination of Bauxite Residue lagooning in favour of state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue. Any Alumina Refining facility starting production after 2020 shall only use state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue.
- g. Remediate the Bauxite Residue area after closure of the Alumina Refining facility to a state that can adequately mitigate the risk of future environmental contamination.

## 5b Discussion

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- It was raised that the concept of neutralization is quite important still.
- Therefore d) still needs to remain in the criterion.
- Specific wording (and order of requirements) was discussed to have “assess” first as d), and “control and neutralize” in e)
- There may be other additional treatment requirements, so therefore this should be put into the criterion. Impacts may also be different depending on the source, the setting/location.
- **The change was agreed to, as per the wording on the following slide.**

## 5b Criterion 6.6 Bauxite Residue

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### **6.6 Bauxite Residue**

- a. An Entity engaged in Alumina Refining shall:
- b. Have constructed storage areas in a manner that effectively prevents the release of Bauxite Residue and leachate to the environment.
- c. Perform regular checks and controls, including those conducted by third parties, to ensure the integrity of the Bauxite Residue storage.
- d. Control and neutralise water discharge from Bauxite Residue storage, to minimise impacts to the environment.
- e. [Assess the impact of the water discharge from Bauxite Residue storage and mitigate any material potential impacts to the environment.](#)
- f. Not discharge Bauxite Residue to ~~marine and~~ aquatic environments.
- g. Establish a timeline and a roadmap for the elimination of Bauxite Residue lagooning in favour of state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue. Any Alumina Refining facility starting production after 2020 shall only use state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue.
- h. Remediate the Bauxite Residue area after closure of the Alumina Refining facility to a state that can adequately mitigate the risk of future environmental contamination.

# 5c Criterion 6.7 Spent Pot Lining

Consideration for the Standards Committee:

- It was agreed previously by the SC that more information on the topic of discharging treated SPL to a marine environment would be gathered and considered before taking a decision on this suggested revision.
- Material was distributed in advance of this meeting.
- Review of slides from Nordural on this topic.

## **6.7 Spent Pot Lining (SPL)**

An Entity engaged in Aluminium Smelting shall:

- a. Store and manage SPL to prevent the release of SPL or leachate to the environment.
- b. Optimise processes for the recovery and recycling of carbon and refractory materials.
- c. Not landfill Untreated SPL where there is the potential for adverse environmental effects.
- d. Review at least annually alternative options to landfilling of treated SPL and/or stockpiling of SPL.
- e. Not discharge SPL to freshwater environments.
- f. Only discharge SPL to a marine environments if the SPL is treated and contained in floodpits and if it can be demonstrated that there are no material adverse impacts from the discharge.
- ~~g. Not discharge SPL to marine or aquatic environments.~~



## 5c Discussion

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- A presentation to the SC on how Nordural in Iceland is managing SPL using flood pits in a marine environment, using sea water and natural tidal movement to neutralize SPL over time, was given.
- Regular chemical monitoring is undertaken with no impact from these flood pit facilities (~50 years of monitoring data).
- Neutralised SPL material is used as landfilling (eg. Reclaimed land) for the extension of land at the harbor.
- It was asked whether a floodpit is better on the foreshore, or whether they are better on land? Are there environmental benefits for foreshore floodpits?
- It was clarified that this presentation and discussion is in specific response to 6.7 f), and to show that marine discharge (under certain conditions) is suitable.
- It was asked about what monitoring is undertaken to determine if there was contamination of the marine environment and what the consequence of contamination was.
- It was confirmed that if the monitoring shows contamination, then the SPL would have to be removed. Nordural is insured for such a requirement, if it occurred.

# ASI Standards Committee

Teleconference Minutes

15 October 2020

# Agenda

	Topic		Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions h. Progress/Status Update	Chair
2	a. Criterion 6.7 SPL	b. Principle 6 Guidance	ASI
3	a. Criterion 7.3	b. Principle 7 Guidance	ASI
4	a. Protected Areas Criterion Applicability	b. Biodiversity Guidance	ASI
5	a. Criterion 10.1 Freedom of Association b. Criterion 10.2 Child Labour c. Criterion 10.3 Forced Labour	d. Criterion 10.4 Non-Discrimination e. Criterion 10.8 Working Time	ASI
6	a. Criterion 9.7 Local Communities b. Criterion 9.6 Resettlements	c. Criterion 9.9 Security Practice	ASI
7	a. Agreed upon actions for Committee members	b. Agreed upon actions for the Secretariat c. Close	Chair

# 1a,b Welcome, Introduction & Apologies

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## a) Welcome

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

**Attendees:** Abdoul Khalighi Diallo, Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Jessica Sanderson (Novellis), Justus Kammüller (WWF), Neill Wilkins (IHRB), Nicholas Barla (IPAF), Rosa Garcia Pineiro (Alcoa), Stefan Rohrmus (Schueco), Steinunn Steinson (Nordural), Tina Bjornestal (Tetrapak).

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

**Apologies:** Abu Karimu (Settle Ghana), Alexander Leutwiler (Nespresso), Gina Castelain (IPAF), Hugo Rainey (WCS), Jostein Søreide (Hydro), Louis Biswane (KLIM), Marcel Pfitzer (Daimler), Michael Frosch (BMW), Samir Whitaker (FFI).

**Proxies:** Rosa Garcia Pineiro (Alcoa) for Jostein Søreide (Hydro),



# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Criterion and Guidance for Principles 6, 7, 8

## d) Documents Circulated

1. ASI SC Teleconference 15Oct20
2. ASI SC Teleconference Minutes 01Oct20
3. Presentation from Chris Bayliss 12Oct20
4. ASI - SCMemberApptProxyForm 15Oct20
5. ASI - SCMemberAlternateForm 15Oct20



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

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## e) Meeting Minutes

- Minutes from 01 October 20, version 2 distributed in advance of the Meeting.

The minutes of 01 October 20 were approved.

- Minutes for the meetings from 12-20 October will be distributed as one unit after October 21.

## e) Conflicts of Interest/Duty

- Disclosure sent with meeting package

# 1g Log of Actions

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

1. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
2. One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Open
3. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
4. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open

# 1h Progress/Status Update

	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	✓	✓	✓	✓		✓ <sup>T</sup>	T	T	T?	T?	✓	✓*	✓	✓		
Guidance	✓	✓	✓	✓	-	T	T	T				✓				

## Upcoming Meetings:

- 15 October: PS 6.7, PS 7 Standard & Guidance, PS 8 Guidance & applicability for Protected Areas Criterion
- 19 October: PS 10 Standard & Guidance
- 20 October: PS 9 Standard & Guidance
- 17 November: CoC (including pre-consumer scrap), Claims Guide, P11 Guidance
- 14 December:
- 15 January: PS 5. **All decisions made by this date.**
- 22 January: **Final Review and All documents Approved for Consultation**
- February: Review of consultation documents and planning for SC process for post consultation
- March: Benchmarking/Indicators/Verifiers Discussion

\*CoC 9.3 + new recommendations, PS 6.7

## 2a Criterion 6.7 Spent Pot Lining

Consideration for the Standards Committee:

- It was agreed previously by the SC that more information on the topic of discharging treated SPL to a marine environment would be gathered and considered before taking a decision on this suggested revision.
- Material was distributed in advance of this meeting.
- Review of slides from Nordural on this topic.

### **6.7 Spent Pot Lining (SPL)**

An Entity engaged in Aluminium Smelting shall:

- a. Store and manage SPL to prevent the release of SPL or leachate to the environment.
- b. Optimise processes for the recovery and recycling of carbon and refractory materials.
- c. Not landfill Untreated SPL where there is the potential for adverse environmental effects.
- d. Review at least annually alternative options to landfilling of treated SPL and/or stockpiling of SPL.
- e. Not discharge SPL to freshwater environments.
- f. Only discharge SPL to a marine environments if the SPL is treated and contained in floodpits and if it can be demonstrated that there are no material adverse impacts from the discharge.
- ~~g. Not discharge SPL to marine or aquatic environments.~~



## 2a Discussion

- There was a question why the pit is not closed like it would have been if it was on land? Why does it have to be open to the sea? It was answered that this is because for the chemical reaction to occur, you need the action of the sea to neutralise the SPL.
- It was asked if you can do that without the sea, and just do it on land? It makes sense to use natural design if there was environmental advantage, however it is not clear what the environmental advantage is.
- It was answered that SPL treatment on land is very difficult, it is stored in close containers as it isn't well treated. Lot of efforts have been made to recycle and re-use it by the industry however the issue is costs; if the cement industry wants to use treated SPL they need to transform into hazardous waste recycling companies. There are also transporting costs. It would be around \$20 per tonne extra production costs. Sometimes it is treated in other countries. With new regulations, hopefully new permits will facilitate the recyclability of process.
- Outside stakeholders don't understand these issues so we need stronger language. It is important that we allow for a natural solution to be possible.
- There was a question whether Nordural has good data on two environmental concerns on SPL that we can use for the guidance. Chapter 6 in the environmental report contains a table with everything that is measured in the area. There is intensive monitoring taking place every year. A part is also exported for recycling, other parts that can't be exported go into the flood pits. The company is also working with their neighbours and the university to recycle it in Iceland.

## 2a Discussion

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- Can you define indicators at which point you dump SPL in the floodpit; how do you define when this is no longer acceptable?
- We need to be careful that the cost avoid impacts of this solution.
- Nordural stated that they have a special licence to do it; you need an approved Monitoring Plan. Other countries are not that strict, so are we comfortable with this language to ensure that it doesn't go wrong elsewhere. It should be approved by different agencies in order to do this technique. Two members volunteered to write some guidance to address how other operators who are in different jurisdictions can follow the same rigorous guidelines.
- It was stated that perhaps the use of floodpits should be included in the guidance but not in the Standard. Other countries can misuse it, and needs to be scientifically robust. We should not change the Standard for one specific situation only.
- It was explained by the Secretariat that prohibiting marine disposal in the Standard but allowing it in the Guidance would only create confusion. Additionally, as the Standard is the normative document, this would not result in the practice being allowed.
- It was stated that this is not a new practice without any science behind it; it's 50 years old.
- Perhaps there are two options: 1) New operations should not have floodpits, 2) Existing operations should demonstrate well managed floodpits.

## 2a Discussion

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- It was recommended to that we need to make sure that if this is done, it is only done in a very correct way and that needs to be explained in the guidance.
- We only allow this to happen because the floodpit is actually closed off from the sea so it is not the open sea anymore; the sea is only used to improve the environmental situation.
- **The change was agreed, with modified language as shown on the following slide.**



## 2a Criterion 6.7 Spent Pot Lining

Consideration for the Standards Committee:

- It was agreed previously by the SC that more information on the topic of discharging treated SPL to a marine environment would be gathered and considered before taking a decision on this suggested revision.
- Material was distributed in advance of this meeting.
- Review of slides from Nordural on this topic.

### **6.7 Spent Pot Lining (SPL)**

An Entity engaged in Aluminium Smelting shall:

- a. Store and manage SPL to prevent the release of SPL or leachate to the environment.
- b. Optimise processes for the recovery and recycling of carbon and refractory materials.
- c. Not landfill Untreated SPL where there is the potential for adverse environmental effects.
- d. Review at least annually alternative options to landfilling of treated SPL and/or stockpiling of SPL.
- e. Not discharge SPL to freshwater and brackish water environments.
- f. Entities shall not discharge SPL to a marine environment unless the SPL is treated and contained in floodpits and it can be demonstrated that there are no adverse impacts from the discharge.
- ~~g. Not discharge SPL to marine or aquatic environments.~~



## 2b Principle 6 Guidance

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No comments received on the Guidance to date

Agree to Guidance for Principle 6

- The Guidance was approved.

# 3a Criterion 7.3 Disclosure of Water Usage and Risks

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For the Consideration of the :

1. Water withdrawal and use reports, as well as material water-related risks should be reported publicly. (log item 247)
  - Five reports randomly checked and all had a link to where this information was publicly available
  - 'publicly report' is consistent with the language in the rest of the Standard.

## **7.3 Disclosure of Water Usage and Risks**

The Entity shall **publicly** report water withdrawal and use and ~~disclose~~ material water-related risks.

## 3a Discussion

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- There was a clarification question whether reporting can also be done at the corporate level? It was answered yes, this is how it has been done consistently through the Standard and Guidance.
- The auditor has to see the facility level data, but the reporting can be done at the corporate level.
- There was a question whether the public also needs to see the facility level data? This needs to be clarified during this call as it was not clear for every Standards Committee member. We don't want to go back to the discussion on the burden for a lot of facilities to disclose a lot of issues.
- One SC participant explained that it is their understanding that disclosure is at corporate level. Their report at the moment does not include plant by plant information as that would be very challenging to do.
- Another SC participant said that this wasn't their understanding, and the guidance needs to clarify what is acceptable in terms of reporting.
- An additional point was made that there is still the stakeholder consultation process with communities, and we shouldn't look at this Criterion in isolation.
- It was recommended to add to the Guidance that if stakeholders need information at facility level, it shall be given to them. Information needs to be accessible when demanded by communities.
- It was explained that the auditor has to verify the information at the Entity level.
- It was recommended to add guidance from Criterion 9.7 in here; make information available to Local Communities (when information is significant) and apply this consistently across the Standard.
- **Criterion 7.3 was agreed.**

## 3b Principle 7 Guidance

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No comments on the Principle 7 Guidance Received

Agree to Guidance for Principle 7

- The Guidance was agreed.

# 4a Applicability of Criteria 8.5 & 8.6

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Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

## 8.5. Commitment to “No Go” in World Heritage properties

An Entity ~~engaged in Bauxite Mining~~ shall:

- a. Not explore or develop new mines in World Heritage properties.
- b. Take all possible steps to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.

# 4a Applicability of Criteria 8.5 & 8.6

Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

## 8.6. Protected Areas The Entity shall:

- Have a process to identify Protected Areas.
- Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas.
- Entities shall not explore or mine in the Protected Areas identified in 8.6a unless:
  - an independent third-party assessment, shared with stakeholders, made publicly available, and updated as required, conducted by a qualified specialist(s) identifies that the mining and associated facilities are consistent with the management objectives of the Protected Area;
  - And where Indigenous Peoples and Affected Communities exist, engagement with Indigenous Peoples and Affected Communities have given their free, prior, informed consent;
  - Or where Unique legal circumstances apply, including:
    - Where an existing license requires that the full resources be extracted by the Entity or
    - there is a mining permit and if the permit is not fulfilled it will be given to another companyWhere the conditions of i and ii are also met.
- An Entity shall ensure that decisions to proceed with exploration, development, operation and closure activities address the presence of, and potential impact on values of, Protected Areas; and/or declarations of Indigenous traditional owners; and the outcomes recorded.

This Criterion applies to existing and new operations.

## 4a Applicability of Criteria 8.5 & 8.6

Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

Supply chain activity	Applicability of Performance Standard Criteria						
	8.1	8.2	8.3	8.4	8.5	8.6	8.7
Bauxite Mining							
Alumina Refining							
Aluminium Smelting							
Aluminium Re-melting/Refining							
Casthouses							
Semi-Fabrication							
Material Conversion ( <i>Production and Transformation</i> )							
<del>Material Conversion (<i>Industrial Users</i>)</del>							
Other manufacturing or sale of products containing Aluminium							



## 4a Discussion

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- It was asked: What is the downside is of making it applicable to the supply chain? The downside is effort; the upside is that there can be a mindset shift in companies located in a newly developed industrial zone for example. A Standard might not be the best place for such a change in mindset however.
- One participant said that the essence of Criterion 8.5 is that other parts of the value chain should not build in World Heritage Sites (WHS), which is logical.
- Another participant said that at the end of the day it is a matter of risk. The more we remove from where it is really important / material (in this case mining), the less inclusive and more administrative burden the Standard becomes for downstream companies. All of this piles up, and therefore fewer companies will want to get certified against the Standard. We need to be aware of these risks.
- Another participant agreed that this is the case for Criterion 8.6, not 8.5. For example in the Netherlands there is a smelter located next to a World Heritage Site, so of course they have to comply with Criterion 8.5.
- It was said that if a company does a good Biodiversity Assessment Plan, that already shows good progress for the downstream part of the supply chain.
- Someone commented that it is not easy to get a list of World Heritage Sites and the boundaries are blurry; in Brazil they for example talk about regions. It is not always clear if you are operating in a World Heritage Site.

## 4a Discussion

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- It was said that it is not too complicated to demonstrate this; if an area doesn't show on IBAT (which is updated monthly) then it is not a World Heritage Site (WHS). Companies should do that anyway as part of their risk assessment. We had an explanation/overview of IBAT in Cambridge last year but apparently this wasn't clear enough.
- The risk is minimal for the downstream part of the supply chain; we should focus the quality of the audits on where it is most critical. We have to acknowledge that we can't fix everything everywhere. If we want to bring in smaller players we have to find a balance.
- It was asked if companies don't do this already as part of conducting a risk assessment on biodiversity? Yes we asked a local NGO to help us with the risk assessment but we are still on a learning curve.
- There is also the matter of a surface; our impact is related to land we are occupy. Bauxite mining uses a lot of surface whereas companies further down the supply less surface.
- There was more discussion on why other companies in the supply chain should not be asked about WHS. Surely there would be reasons for companies to do so, it could be financially interesting for example. Someone mentioned that these companies are generally not close to WHS. Still this was not seen as a reason not to include it in the Standard.
- It was mentioned that the language we agreed on in Cambridge last year suggested it was geared for mining.
- The BESWG agreed on Criterion 8.5, but then an issue was raised at the Standards Committee about it.
- Criterion 8.5.a is only applicable to mines, we are now looking whether 8.5.b is applicable for other entities.

## 4a Discussion

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- It was also said that the BESWG discussion was geared towards upstream facilities, and in particular mining, but not downstream companies. The intent has changed. The scale of discussion was about mining and only in the last 30 min it was raised that perhaps this should apply to the whole value chain?
- It was agreed that it would be useful to have a 5 minute presentation on IBAT; Jessica can test a few sites and then through the tool to see how it goes.
- There was a comment again that the risk for other parts of the supply chain here is very minimal. Someone else said that we need to be careful with the line of argumentation that we only look at primary producers.
- For GHG emissions we also ask the whole value chain to do something, so why not here.
- Since we extended the timelines of the Standards Revision with 3 months we have a bit more time now so it was agreed to share the IBAT webinar and go from there.

# 4b Principle 8 Guidance

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**No comments on the Principle 8 Guidance Received**

**Agree to Guidance for Principle 8**

- The Guidance was agreed depending on the applicability question and decision as discussed under 4a.

# 5a Criterion 10.1 Freedom of Association

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## **10.1 Freedom of Association and Right to Collective Bargaining**

- a. The Entity shall respect the rights of Workers to associate freely in Labour Unions, seek representation and join Workers' councils without interference to the extent possible under Applicable Law, in line with the ILO Conventions C87 and C98.
- b. The Entity shall respect the rights of Workers to collective bargaining, participate in any collective bargaining process in good faith to the extent possible under Applicable Law and adhere to collective bargaining agreements where such agreements exist.
- c. Entities that operate in countries where Applicable Law restricts the right to freedom of association and collective bargaining, shall support alternative means of association for Workers that are permitted under Applicable Law.

Recommended by the HRWG:

1. ILO Conventions are applicable to Nation States. Re-frame the Standard around what ASI expects a company to do. (log item 183)
2. Does item c meet the needs of stakeholders where Freedom of Association is limited by law? Do we need more specific requirements about who's involved, what their demography is, what their role is, and more vigilance on things like wages and benefits? (log item 84)

# 5a Criterion 10.1 Freedom of Association

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## 10.1 Freedom of Association and Right to Collective Bargaining

- a. The Entity shall respect the rights of Workers to associate freely in Labour Unions, seek representation and join Workers' councils without interference to the extent possible under Applicable Law, ~~in line with the ILO Conventions C87 and C98.~~ Labour Unions shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes to the extent possible under Applicable Law.
- b. The Entity shall respect the rights:
  - a. Of Workers to collective bargaining, participate in any collective bargaining process in good faith to the extent possible under Applicable Law and adhere to collective bargaining agreements where such agreements exist
  - b. Of trade unions to organize
  - c. Within the bounds of Applicable Law, collectively bargain on behalf of the Workers.
- c. Entities that operate in countries where Applicable Law restricts the right to freedom of association and collective bargaining, shall support alternative means of association for Workers that are permitted under Applicable Law.

This is from ILO C87

Black original text

Blue additional suggested text for approval

# 5a Discussion

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- There was a question about the extra text under a). It sounds like we give the union the right to force people to become a member. Is that what we want? No, we can explain this in the guidance. It's about freedom of association though; no worker is compelled to join a union or association.
- What does 'write to draw' mean under 10.1. a? Change to 'Write their own constitution'?
- 10.1.b: the point is that the Entity isn't interfering; sometimes there are more unions than one.
- There was a recommendation that we could use reference to principles of UN Global Compact as a 'bridge' to ILO conventions. The UN Global Compact's labour principles (Principles 3, 4, 5 and 6) are championed by the International Labour Organization (ILO). They are very well explained; we don't need to reinvent the wheel. The Secretariat pointed out that the worry however is that adding new references gets missed in implementation. It is better to use the ILO language in the actual wording rather than just referring to it, members and auditors won't look at another document when implementing the standard.
- Representatives from the Human Rights WG would want to see the word union somewhere in this wording.
- A concern was raised for d), what is meant with 'alternative means of association? It undermines the effort of a, b and c. Companies will get the same label (certification), but they don't have the same power of negotiation. The Secretariat has worked with IndustriALL on this and we have a list on what this means. The benefit means that if Freedom of Association (FoA) is prohibited by applicable law, a company must obey law and this trumps the requirement in the standard. By adding d, it means that companies operating in countries where FoA is forbidden, they still have to do something.



# 5a Discussion

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- On d); we need to have clear criteria what the 'alternative means' mean.
- It was agreed that the SC and Secretariat do more reading and research by the next SC call on Monday 19 October and bring the guidance from the HRWG to the call.



# ASI Standards Committee

Teleconference

19 October 2020

# 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	<ul style="list-style-type: none"> <li>a. Protected Areas Criterion Applicability</li> </ul>		ASI
3	<ul style="list-style-type: none"> <li>a. Criterion 10.1 Freedom of Association</li> <li>b. Criterion 10.2 Child Labour</li> <li>c. Criterion 10.3 Forced Labour</li> </ul>	<ul style="list-style-type: none"> <li>d. Criterion 10.4 Non-Discrimination</li> <li>e. Criterion 10.7 Remunerstaion</li> <li>f. Criterion 10.8 Working Time</li> <li>g. Guidance</li> </ul>	ASI
4	<ul style="list-style-type: none"> <li>a. Criterion 9.1 Human Rights Due Diligence</li> <li>b. Criterion 9.3 Indigenous Peoples</li> <li>c. Criterion 9.4 Free, Prior and Informed Consent</li> </ul>	<ul style="list-style-type: none"> <li>d. Criterion 9.6 Resettlements</li> <li>e. Criterion 9.7 Local Communities</li> <li>f. Criterion 9.9 Security Practice</li> <li>g. Guidance</li> </ul>	ASI
5	<ul style="list-style-type: none"> <li>a. Agreed upon actions for Committee members</li> </ul>	<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

**Chair:** Rosa Garcia Pineiro (Alcoa)

**Attendees:** Alexander Leutwiler (Nespresso), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Giulia Carbone (IUCN), Jessica Sanderson (Novelis), Jostein Søreide (Hydro), Kendyl Salcito (Nomogaia), Louis Biswane (KLIM), Marcel Pfitzer (Daimler), Neill Wilkins (IHRB), Stefan Rohrmus (Schueco), Steinunn Steinson (Nordural), Tina Bjornestal (Tetrapak).

**ASI:** Cameron Jones, Camille Le Dornat, Kamal Ahmed, Krista West.

**Apologies:** Abdoul Khalighi Diallo, Abu Karimu (Settle Ghana), Gina Castelain (IPAF), Hugo Rainey (WCS), Justus Kammüller (WWF), Michael Frosch (BMW), Nicholas Barla (IPAF), Samir Whitaker (FFI).

# 1c,d Objectives & Documents Circulated

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## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Criterion and Guidance for Principle 10

## d) Documents Circulated

1. ASI SC Teleconference 15Oct20
2. Principle 10 TC
3. Principle 9 TC
4. ASI - SCMemberApptProxyForm 19Oct20
5. ASI -SCMemberAlternateForm 19Oct20



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

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## e) Meeting Minutes

- Minutes for the meetings from 12-20 October will be distributed as one unit after October 20.

## e) Conflicts of Interest/Duty

- Disclosure sent with meeting package

# 1g Log of Actions

---

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

1. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
2. One Standard Committee Member to draft some language on OHS indicators to include in the Guidance.
  - Open
3. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
4. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open

# 1h Progress/Status Update

	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	✓	✓ *	✓	✓		
Guidance	✓	✓	✓	✓	-	T	✓	✓		T		✓				

## Upcoming Meetings:

- 19 October: PS 10 Standard & Guidance
- 20 October: PS 9 Standard & Guidance
- 17 November: CoC (including pre-consumer scrap), Claims Guide, P11 Guidance
- 14 December:
- 15 January: PS 5. **All decisions made by this date.**
- 22 January: **Final Review and All documents Approved for Consultation**
- February: Review of consultation documents and planning for SC process for post consultation
- March: Benchmarking/Indicators/Verifiers Discussion

\*CoC 9.3 + new recommendations

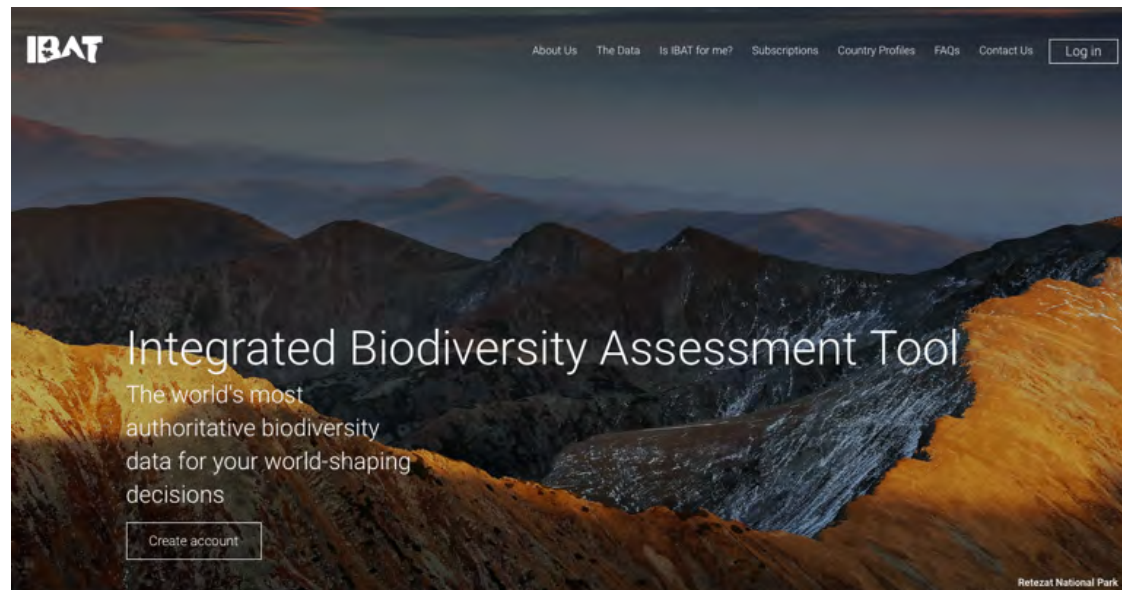


## 2 Applicability of Criteria 8.5 & 8.6

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Review of IBAT (Integrated Biodiversity Assessment Tool)

- <https://ibat-alliance.org>
- Presentation from Giulia on using IBAT as a tool to quickly identify the presence of Protected Areas, World Heritage properties.
- Q&A





## 2 Applicability of Criteria 8.5 & 8.6

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Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

### 8.5. Commitment to “No Go” in World Heritage properties

An Entity ~~engaged in Bauxite Mining~~ shall:

- a. Not explore or develop new mines in World Heritage properties.
- b. Take all possible steps to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.

## 2 Applicability of Criteria 8.5 & 8.6

Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

**8.6. Protected Areas** The Entity shall:

- Have a process to identify Protected Areas.
- Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas.
- Entities shall not explore or mine in the Protected Areas identified in 8.6a unless:
  - an independent third-party assessment, shared with stakeholders, made publicly available, and updated as required, conducted by a qualified specialist(s) identifies that the mining and associated facilities are consistent with the management objectives of the Protected Area;
  - And where Indigenous Peoples and Affected Communities exist, engagement with Indigenous Peoples and Affected Communities have given their free, prior, informed consent;
  - Or where Unique legal circumstances apply, including:
    - Where an existing license requires that the full resources be extracted by the Entity or
    - there is a mining permit and if the permit is not fulfilled it will be given to another companyWhere the conditions of i and ii are also met.
- An Entity shall ensure that decisions to proceed with exploration, development, operation and closure activities address the presence of, and potential impact on values of, Protected Areas; and/or declarations of Indigenous traditional owners; and the outcomes recorded.

This Criterion applies to existing and new operations.

## 2 Applicability of Criteria 8.5 & 8.6

Recommendation for the Standards Committee from the BESWG to expand the Protected Areas Criteria:

- Criteria were previously approved by the Standards Committee, we are only looking at the applicability

Supply chain activity	Applicability of Performance Standard Criteria						
	8.1	8.2	8.3	8.4	8.5	8.6	8.7
Bauxite Mining							
Alumina Refining							
Aluminium Smelting							
Aluminium Re-melting/Refining							
Casthouses							
Semi-Fabrication							
Material Conversion ( <i>Production and Transformation</i> )							
<del>Material Conversion (<i>Industrial Users</i>)</del>							
Other manufacturing or sale of products containing Aluminium							

## 2 Discussion

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- A participant presented how to use the IBAT tool:
  1. Locate your asset (longitude, latitude) on latlong.net
  2. Log in on IBAT
  3. Go to 'Data map' and put the longitude and latitude
  4. Click Apply Layers > Protected Areas
  5. Select IUCN Management Category (note: these are not IUCN Protected Areas (PA) but national PA)
  6. All PA will show in colour, click on one of them for more information
  7. Click on your Index, save it as a new project
  8. Go to your Project > Create New Report > Proximity > Select Buffers
  9. Go back to the map > PA > Designation (World Heritage, etc.)
  10. You can download all the files
- A participant asked what is the proximity rationale. It was replied that proximity is a subjective decision, depending if the site is located in a Protected Area (PA), if there is one in the buffer zone, the type of impacts the site has, if there is a Key Biodiversity Area (KBA) in the buffer zone, etc.
- It was said that using "Designation" (what kind of designation) and "IUCN management category" (what kind of management) are two ways to look at the same thing.

## 2 Discussion

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- It was said that some countries do not use IUCN management categories (The Netherlands, China, etc.) for their PA, in this case they will appear in grey on the map. Some countries also do not submit their data on PA, like Turkey. In those cases it is not possible to see the PA thanks to the IBAT tool. Clicking on KBA enables to see the KBA but you cannot use one for another, they are different things: sometimes KBA are PA but sometimes not.
- The borders locations were discussed, as PA will show up on one side of the border but not the other. The case of Altay (on the border between China and Mongolia) was looked up and in China it shows only the KBA, while in Mongolia it shows a PA, because China did not submit their data on PA.
- It was said that using IBAT will be a problem for some countries. The Secretariat suggested to create a list of the countries where IBAT won't work, to include in the Guidance, together with available resources for mapping for those countries. A training will also be created on using the IBAT tool for the countries where the list is up to date, and on where to access the list of PA for the other countries.
- A participant added that ASI is not the only organisation with this challenge in China, so IBAT has probably already come up with solutions.
- A participant raised imbalance in the system as sites in Europe have to develop plans, while there is a lot of uncertainty in China, which is a big issue because the companies get the same certificate in the end.

## 2 Discussion

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- The Secretariat said this should not be an issue because resources for mapping can be included in the guidance for countries like China. The participant replied that the issue is that it depends on how active the government is. Another participant replied that China is active in this field as they are part of the Convention of Biological Diversity (CBD) and they have signed to define at least 17% of their territory as PA. Doubts were expressed as to the level of details there will be. It was said that ASI has to compromise on lots of topics (Human Rights (HR), Greenhouse Gases (GHG), biodiversity, etc.) for China.
- Another participant said this was a different issue and regarding this Criterion – we need to list the countries that don't report their PA and get suggestions from WCMC on how to identify PA in these countries, and include their recommendation in the Guidance.
- It was said that it does not matter which methodology is used to comply with this Criteria.
- A participant said that applying c) to all situations means creating a lot of paperwork for nothing in the case of small industrial locations, as the material impacts will be minimal.
- Another participant asked if we were re-opening discussions on applicability. The Secretariat said the initial plan was to have the IBAT presentation today, leave some time to participants to think about it, and discuss in December; but it was also possible to discuss applicability now.

## 2 Discussion

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- One participant said agreeing with the fact that for downstream operations, compliance with government regulations is sufficient, and this was supported by several other participants.
- Another participant expressed concern if this was not applicable to the whole value chain as the impact on biodiversity is not necessarily activity-related. Mining and smelting can obviously have bigger impacts, but a rolling mill or extrusion plant can still have big impacts too. So this criterion should not be about the type of operation, but about the location and not the process.
- It was said that an Entity still needs to go through IBAT as part of 8.1. and 1.1., they would still need to do this assessment.
- It was highlighted that the concern is only around c), the worry being that it would require a lot of work for companies while that may not be needed. Another participant said that her understanding was that c) only applies to new activities.
- It was said that the language already implicates that a), b) and d) apply to the whole supply chain and c) only to mining.
- One participant recalled that during the Cambridge meeting, it was assumed this Criterion only applied to mining until the end of the discussion when it was raised that this should actually apply to the whole supply chain.

## 2 Discussion

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- A participant raised that Responsible Steel calls for no sites at all in PA. Another participant replied that Responsible Steel does not cover the whole supply chain, and here there are some provisions that won't apply to downstream operations.
- **It was agreed to apply 8.6a), b) and d) to all Entities and c) only to mining. (reflected on the following slide)**
- A participant suggested to put c) separately in another criterion, but this was rejected by other participants.
- It was said that for World Heritage sites, the criterion should apply to all sites.
- **It was agreed to apply 8.5a) and b) to all sites and replace “new mines” by “new Facilities”. (reflected on the following slide)**
- One participant raised that this is the last time we agree to the extension of a Criterion to the whole supply chain without having the whole supply chain implications in mind, and without enough time and opportunity for parties to raise their views. During discussions only mining was thought about, and the other operations didn't feel concerned. This process is unfair and ASI risks losing a part of the value chain.
- The Secretariat said there were opportunities to discuss as Working Groups (WGs) are open to everyone and folks have had a year to look at this. Another participant added that this is an unfair statement as the WG was composed of the whole value chain and compromises were made.



## 2 Discussion

### 8.5. Commitment to “No Go” in World Heritage properties

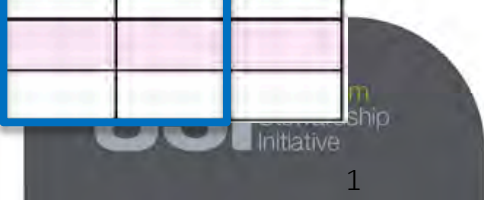
An Entity engaged in ~~Bauxite Mining~~ shall:

- a. Not explore or develop new ~~mines~~ **Facilities** in World Heritage properties.
- b. Take all possible steps to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.

Supply chain activity	Applicability of Performance Standard Criteria						
	8.1	8.2	8.3	8.4	8.5	8.6	8.7
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Material Conversion ( <i>Production and Transformation</i> )							
<del>Material Conversion (<i>Industrial Users</i>)</del>							
Other manufacturing or sale of products containing Aluminium							

Current applicability

Agreed new applicability



## 2 Discussion

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- One participant said we are actually talking about Australia last year here and recalled there was a sudden shift: some of the participants were focusing only on mines and then people suggested that this should apply to the whole supply chain; and now thinking about it, the participant agreed that she should have thought of the whole value chain from the beginning. It was said to be clearer on the scope we are talking about in future discussions.
- The Secretariat agreed to commit to that work ahead and suggested to look at that process, along with the governance handbook and how WGs are managed in a future meeting.
- Another participant raised that we are trying to design a Standard for the whole value chain, so by default everything discussed should apply to the whole value chain, and then exceptions may happen. The concern raised about analyzing all these criteria in terms of materiality is that every criteria won't be material for all activities: water will only be material to alumina refinery, GHG to smelting, Human Rights to Middle East and China, etc. So in the benefit of the Standard, we should consider that all Criteria apply to the whole SC – and not the other way around.
- The Secretariat added that this could create high risks, for example a particular extrusion site could still have important water issues.
- This was agreed to, and it was said that what really matters is how it is going to be audited on the ground.



# ASI Standards Committee

Teleconference

20 October 2020

# 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	<ul style="list-style-type: none"> <li>a. Criterion 10.1 Freedom of Association</li> <li>b. Criterion 10.2 Child Labour</li> <li>c. Criterion 10.3 Forced Labour</li> </ul>	<ul style="list-style-type: none"> <li>d. Criterion 10.4 Non-Discrimination</li> <li>e. Criterion 10.7 Remunerstaion</li> <li>f. Criterion 10.8 Working Time</li> <li>g. Guidance</li> </ul>	ASI
3	<ul style="list-style-type: none"> <li>a. Criterion 9.1 Human Rights Due Diligence</li> <li>b. Criterion 9.3 Indigenous Peoples</li> <li>c. Criterion 9.4 Free, Prior and Informed Consent</li> </ul>	<ul style="list-style-type: none"> <li>d. Criterion 9.6 Resettlements</li> <li>e. Criterion 9.7 Local Communities</li> <li>f. Criterion 9.9 Security Practice</li> <li>g. Guidance</li> </ul>	ASI
4	<ul style="list-style-type: none"> <li>a. Agreed upon actions for Committee members</li> </ul>	<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

---

a) Welcome

**Chair:** Kendyl Salcito (Nomogaia)

**Attendees:** Abdoul Khalighi Diallo, Alexander Leutwiler (Nespresso), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Giulia Carbone (IUCN), Jostein Søreide (Hydro), Justus Kammüller (WWF), Neill Wilkins (IHRB), Steinunn Steinsson (Nordural), Tina Bjornestal (Tetrapak).

**ASI:** Cameron Jones, Camille Le Dornat, Kamal Ahmed, Krista West

**Apologies:** Abu Karimu (Settle Ghana), Gina Castelain (IPAF), Hugo Rainey (WCS), Jessica Sanderson (Novellis), Louis Biswane (KLIM), Michael Frosch (BMW), Marcel Pfitzer (Daimler), Nicholas Barla (IPAF), Samir Whitaker (FFI), Rosa Garcia Pineiro (Alcoa), Stefan Rohrmus (Schueco).

**Alternatives:**

**Proxies:** Kendyl Salcito (Nomogaia) for Stefan Rohrmus (Schueco), Jostein Søreide (Hydro) for Rosa Garcia Pineiro (Alcoa).

**Invitees:**

# 1c,d Objectives & Documents Circulated

---

## c) Objectives

1. Adopt minutes of the previous meeting
2. Review and approve Criterion and Guidance for Principle 10

## d) Documents Circulated

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# 1g Log of Actions

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

1. The Secretariat to add introductory section on “publicly disclose” to the Performance Standard Guidance.
  - Open
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  - Open
3. The Secretariat to include a reference to GRI 403 in the Guidance for Criterion 11.2
  - Open
4. The Secretariat to check with the Board what is the process for the SC rejecting a WG proposal.
  - Open



# 1h Progress/Status Update

	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	✓	✓ *	✓	✓		
Guidance	✓	✓	✓	✓	-	✓	✓	✓		T		✓				

## Upcoming Meetings:

- 20 October: PS 10 Standard & Guidance
- 17 November: PS 9 Standard & Guidance
- 14 December: CoC (including pre-consumer scrap), Claims Guide, P11 Guidance
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- March: Benchmarking/Indicators/Verifiers Discussion

\*CoC 9.3 + new recommendations



## 2a Criterion 10.1 Freedom of Association

---

### **10.1 Freedom of Association and Right to Collective Bargaining**

- a. The Entity shall respect the rights of Workers to associate freely in Labour Unions, seek representation and join Workers' councils without interference to the extent possible under Applicable Law, in line with the ILO Conventions C87 and C98.
- b. The Entity shall respect the rights of Workers to collective bargaining, participate in any collective bargaining process in good faith to the extent possible under Applicable Law and adhere to collective bargaining agreements where such agreements exist.
- c. Entities that operate in countries where Applicable Law restricts the right to freedom of association and collective bargaining, shall support alternative means of association for Workers that are permitted under Applicable Law.

Recommended by the HRWG:

1. ILO Conventions are applicable to Nation States. Re-frame the Standard around what ASI expects a company to do. (log item 183)
2. Additional Guidance around what is meant by 'alternative means of association' (log item 84)
3. Additional Guidance around reporting requirements. (log item 92 & 134)

## 2a Criterion 10.1 Freedom of Association

---

### 10.1 Freedom of Association and Right to Collective Bargaining

- a. The Entity shall respect the rights of Workers to associate freely in Labour Unions, seek representation and join Workers' councils without interference to the extent possible under Applicable Law, ~~in line with the ILO Conventions C87 and C98.~~
- b. The Entity shall respect that Labour Unions have the right to develop their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes to the extent possible under Applicable Law.
- c. The Entity shall respect the rights:
  - i. Of Workers to collective bargaining, participate in any collective bargaining process in good faith to the extent possible under Applicable Law and adhere to collective bargaining agreements where such agreements exist
  - ii. Of Labour Unions to organize
  - iii. Within the bounds of Applicable Law, collectively bargain on behalf of the Workers.
- d. Entities that operate in countries where Applicable Law restricts the right to freedom of association and collective bargaining, shall support alternative means of association for Workers that are permitted under Applicable Law.

This is from ILO C87

Black original text

Blue additional suggested text for approval

## 2a Discussion

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- A participant raised two comments on Guidance for the new d)
  - “Methods for employees to anonymously raised concerns” is pretty weak compared to laws that allow collective bargaining.
  - How do we ensure that workers are encouraged to join a union and are not under the influence of the company?
- The Secretariat replied that
  - It was brought up to give workers a voice without repercussion, which is sometimes missing where freedom of association is restricted.
  - We can't make countries have freedom of association so the goal of d) is to do the most we can within the boundaries of law.
- A participant raised that in the Guidance, the last 2 bullet points use “shall” and “must”, and thus asked whether those points shouldn't be in the Standard if this is an obligation. It was said that those points are already in the Standard, here it is sort of a repetition, and for the second bullet points we don't have a tool to express that idea for Auditors.
- One participant said that right to collective bargaining and freedom of association are mixed here, asked whether there are situations where one is present and not the other, and suggested to add language about that.

## 2a Discussion

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- A participant expressed a worry that this Criteria would strengthen the role of unions in some situations where they are already strong and on the other hand it would still make it very loose for companies who don't have unions at all. The Secretariat asked the participant what they would propose, who replied that the Criterion in the current version is enough, and that we do not need to insist so much on unions.
- Another participant said that the issue behind this addition is that there are contexts where there is labor union in name but it is entirely controlled by management, the leadership appointed by management, etc. So the language here is essentially to make sure that a union is more than a piece of paper.
- Concerns were still expressed about c)ii. and iii. The Secretariat said that those additions are actually not additions and the Criterion is unchanged: the ILO conventions reference has been removed to only include the requirements that apply directly to companies, and not to states, to avoid companies having to go check within the ILO convention.
- The participant said that in some plants, unions are very powerful and this Standard could reinforce their bargaining power, which is not necessarily in the interest of Workers. Another participant expressed the same fear.

## 2a Discussion

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- A participant suggested to add “to form or join trade unions or other associations to bargain collectively within the bounds of applicable law. The decision whether to join a trade union or other association shall be made solely by the worker” in a) to address that concern, while keeping a strong statement on freedom of association. This change was supported, and it was added that this language is also better for countries where there are legal restrictions.
- It was asked whether the limits of the union’s program were only within applicable law, or also within the company’s own rules, on safety for example? What prevails? Saying only “applicable law” is too open.
- It was said that this criterion does not mean companies cannot challenge and push back the unions’ program, it is more about allowing workers to join a union without necessarily going along with what the union suggests. “Formulate their programs” means they can have their own program, but it is not the company’s: whether the company goes along with it or not depends on the negotiation. The idea is to have mutual respect between the company and the trade union, and to keep the 2 entities separate.
- It was added that these requirements are taken directly out of the ILO convention that companies should already be implementing.
- The Secretariat said that the Standard cannot say that the unions’ program has to comply with the company rules, as this would go against the objective of this Criterion.



## 2a Discussion

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- It was suggested to add “labor unions” in c)iii.
- It was suggested to reorganize the 2 sub-criteria into a) “The Entity shall respect the rights of workers” and b) “The Entity shall respect the rights of labour unions”
- It was said that what we want to say is that we want the Entity to participate in collective bargaining in good faith, and not that it is the workers’ rights to participate in collective bargaining.
- It was suggested to add “or other associations” after Trade unions in c), as there could be other worker representative organisations.
- It was said that “support” in d) is not very strong and the guidance is a bit loose, and it was suggested to use a wording like “ensure that”. The Secretariat replied that this must come from workers and not management, so the company cannot enforce it. It was suggested to replace “support” by “facilitate”.
- It was said that d) does not cover all necessary aspects, there should be something on the involvement of workers in industrial relations at the workplace.
- The Secretariat expressed concerns on this change, as it changed language that works well: no concerns have been raised to date on implementation.
- It was said that asking a company to demonstrate what actions they are taking to facilitate engagement of workers and collective input in contexts where unions are not permitted is an important task. This was agreed by several participants.

## 2a Discussion

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- It was suggested to add “through” before “alternative means of association” in d).
- A participant suggested to insert "by ensuring a climate free of violence, pressure, fear and threats" in d), which is extracted from guidance of UN global compact. It was said to include that in a separate sentence and remove the applicable law bit.
- **The changes were approved with the above changes, reflected below:**

### **10.1 Freedom of Association and Right to Collective Bargaining**

- a. The Entity shall respect the rights of Workers to form or join Labour Unions or other associations to bargain collectively within the bounds of Applicable Law. The decision whether to join a Labour Union or other association shall be made solely by the Worker. ~~to associate freely in Labour Unions, seek representation and join Workers’ councils without interference to the extent possible under Applicable Law, in line with the ILO Conventions C87 and C98.~~
- b. The Entity shall participate in any collective bargaining process in good faith to the extent possible under Applicable Law and adhere to collective bargaining agreements where such agreements exist
- c. The Entity shall respect that Labour Unions or other associations:
  - i. To develop their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes to the extent possible under Applicable Law
  - ii. To organize
  - iii. Within the bounds of Applicable Law, collectively bargain on behalf of the Workers.
- d. Entities that operate in countries where Applicable Law restricts the right to freedom of association and collective bargaining, shall facilitate the involvement of Workers in industrial relations of the Facility through ~~support~~ alternative means of association for Workers that are as permitted under Applicable Law. These alternative means, shall, at a minimum, ensure a climate free of violence, pressure, fear and threats.



## 2a Criterion 10.1 Freedom of Association

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### **Guidance**

- For 10.1(ed) in regions where Freedom of Association and the Right to Collective Bargaining are limited by law the Entity shall support alternative means of association for Workers. Some possible means that may be utilized include:
  - Joint health and safety committees
  - Worker representatives who liaise between Workers and management (these representatives shall not be appointed by management)
  - Methods for employees to anonymously raised concerns (i.e. an anonymous phone line or paper suggestion boxes)
  - Employee 'town hall' meetings where concerns may be raised to management
  - Trade unions, as legally allowed under the law
- Where Freedom of Association and Collective Bargaining are not restricted by Applicable Law 10.1 (ed) would be Not Applicable and the Entity shall demonstrate Conformance to Criterion 10.1 (a) and (b).
- Where Freedom of Association and Collective Bargaining are restricted by Applicable Law 10.1 (a) and (b) would be Not Applicable and the Entity shall demonstrate Conformance to Criterion 10.1 (ed).
- Where 10.1(ed) is applicable the Auditor must:
  - State that Freedom of Association and Collective Bargaining are restricted by Applicable Law in the country
  - Provide the alternative method(s) used by the Entity to demonstrate Conformance to the Criterion in the Public Headline Statement.

## 2a Discussion

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- About the Guidance: it was said that there may be vulnerable groups of workers in a Facility (migrant workers, women) and suggested to include language about those two vulnerable groups. The Secretariat and an SC member will draft language on that for November.
- It was said to replace all the “c)” by “d)”.
- **The Guidance was approved with the above change (as displayed on slide 169).**
- **ACTION – The Secretariat and the member to add guidance on vulnerable groups.**

## 2b Criterion 10.2 Child Labour

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Recommendation for the Standards Committee from the HRWG:

1. ILO Conventions are applicable to Nation States. Re-frame the Standard around what ASI expects a company to do. (Log item 183)
2. The Criterion should be reworded for clarity

### **10.3 Child Labour**

The Entity shall neither use nor support the use of Child Labour as defined in ILO Conventions C138 and C182, and shall comply with related national and international law:

- a. A basic minimum working age of 15 years.
- b. Not engaging in or supporting Hazardous Child Labour.
- c. Not engaging in or supporting Worst Forms of Child Labour.

### **10.3 Child Labour** The Entity shall ensure:

- a. That all Workers are over the age of 15.
- b. Work for 15-18 year old is not exploitative, Hazardous or interfering with schooling and apprenticeship programs.
- c. That there are no instances of the Worst Forms of Child Labour.

## 2b Discussion

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- The impact of this Criterion on apprenticeship was discussed, in the case where the apprentice may use chemicals, etc. It was said that voices were already raised in the Human Rights Working Group (HRWG) on the same topic.
- It was thus decided to change “15-18 year old” for “15 through 17”.
- **The Standard was approved with the above change, reflected below:**

### **10.3 Child Labour** The Entity shall ensure:

- a. That all Workers are over the age of 15.
- b. Work for 15~~-18~~ through 17 year old is not exploitative, Hazardous or interfering with schooling and apprenticeship programs.
- c. That there are no instances of the Worst Forms of Child Labour.

## 2c Criterion 10.3 Forced Labour

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### Recommendation for the Standards Committee from the HRWG:

1. ILO Conventions are applicable to Nation States. Re-frame the Standard around what ASI expects a company to do. (log item 183)
2. Require companies to publish a modern slavery statement. (log item 194)

#### **10.3 Forced Labour**

The Entity shall neither engage in nor support the use of Forced Labour as defined in ILO Conventions C29, along with Protocol P29 (2014) to this Convention, and C105.

- a. The Entity, **either directly or through any direct or contracted employment or recruitment agencies**, shall not:
  - i. Engage in or support Human Trafficking ~~either directly or through any employment or recruitment agencies~~.
  - ii. Require any form of deposit, **Recruitment Fees, Costs and Charges** or equipment advance from Workers either directly or through employment or recruitment agencies.
  - iii. Require Migrant Workers to lodge deposits or security payments at any time.
  - iv. Hold Workers in Debt Bondage or force them to work in order to pay off a debt.
  - ~~v. Unreasonably~~ restrict the freedom of movement of Workers in the workplace or in on-site housing.
  - vi. Retain original copies of Workers' identity papers, work permits, travel documents or training certificates.
- b. **The Entity shall publish an annual modern slavery statement detailing their actions to address modern slavery.**

**Recruitment Fees, Costs and Charges** - any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection. (ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs).

## 2c Discussion

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- A participant asked what were Entities supposed to do when there are no migrant workers in the area, they are not using contracting agencies, monitoring their subcontractors, etc. It was replied that not only migrant workers might be subject to modern slavery. The thinking behind this change is that all companies should be considering where their operational process could present modern slavery risks, and producing a statement encourages them to do so.
- The participant expressed concern that it is just going to add paperwork, especially for smaller companies, when this is not needed.
- It was asked to get an example of such a statement to see what it looks like. The following statement was shared: [https://www.bayer.com/sites/default/files/modern-slavery-act-statement\\_0.pdf](https://www.bayer.com/sites/default/files/modern-slavery-act-statement_0.pdf)
- It was said that these statements push companies to actually look at their supply chains, even if the reporting publicly disclosed says they didn't find any modern slavery. And Europe is considering a modern slavery law across the EU, this criterion would thus level the plain field across all ASI operators. It was added that we can found modern slavery in services such as warehousing, cleaning, etc.
- It was said that equivalents can be made with the legal reporting requirements to comply.
- It was said that the public disclosure enables to access them through the audit reports, so everyone can look at them, and it improves the quality of statements over time.

## 2c Discussion

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- It was said that it is not expected here that companies will solve the modern slavery problem, but that they will demonstrate they know where the risks lie and they have a clear view of what modern slavery looks like, and that it may occur in all countries.
- A participant said that more clarifications are needed on what needs to be done in practice to comply.
- Another participant supported that this may be an issue for smaller Entities who are not familiar with such requirements.
- Another participant said that this would be a very big step for Asian, US and European operators, and that this group should probably have consensus around whether we want to push the envelope on this or if we should wait for broader global uptake through legal frameworks.
- It was said that every time we complete a new concept, we could have those barriers with implementation. But ASI is here to help the members and the sector with the implementation. In this case, it was suggested to put up a presentation for members to understand what is the issue, articulated with data, and explaining the role businesses can play. ASI needs to make an effort to explain to companies how this concerns them.
- The Secretariat will develop a training video on that.
- It was said that it is also in the economic interest of companies to make clear whether or not they are involved in modern slavery, and that in the UK for example, the main push for a modern slavery statement came from companies.

## 2c Discussion

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- It was asked whether it is possible to find nothing and whether it is fine to report that? It was said that this is more of showing you are aware, and that the risks are minimal thanks to a range of actions/processes you have to prevent these things (collective agreements, unions, technical work, no contractual agencies...)
- The Secretariat said that small companies expressed that due diligence in the CoC system was a positive experience, as it was beneficial for their business to set up that system and it abled them to move some things forward. Thus we cannot assume that this will necessary be a problem for small companies.
- It was asked how far afield is the slavery statement from the LME requirements, and from our expectations on CoC. The Secretariat that LME is not part of that and that the CoC Standard requires due diligence on HR - but this goes much further beyond.
- **It was agreed to put the Standard out for consultation, gather more information in the meantime, the Secretariat and Neill Wilkins to pull out Guidance, the Secretariat to pull out information on how it may affect different members.** This will be discussed again post-consultation.
- It was said that ASI could produce a template modern slavery statement in the Guidance.
- **ACTIONS – The Secretariat to gather more information, including on how this may affect different types of members.**
- **The Secretariat and Neill Wilkins to pull out additional Guidance.**
- **The Secretariat to include a modern slavery statement in the Guidance.**
- **The Secretariat to create a training for members.**





## 4 Agreed Upon Actions & Close

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### a. Agree actions:

- The Secretariat to gather more information on modern slavery statements, including on how this may affect different types of members.
- The Secretariat and Neill Wilkins to develop additional Guidance on modern slavery statements.
- The Secretariat to include a modern slavery statement or template in the Guidance.
- The Secretariat to schedule a training for members on modern slavery.
- The Secretariat and the member to add guidance on vulnerable groups to Criterion 10.1.

### b. Chairs and Secretariat thanks to all participants and close of meeting

#### Upcoming Meetings:

- 17 November: PS 9 Standard & Guidance
- 14 December: CoC (including pre-consumer scrap), Claims Guide, P11 Guidance
- 15 January: PS 5. **All decisions made by this date.**
- 22 January: **Final Review and All documents Approved for Consultation**
- February: Review of consultation documents and planning for SC process for post consultation
- March: Benchmarking/Indicators/Verifiers Discussion

Thank you

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