Guidance Principles for Addressing Sustainability Criteria in Secondary Resources Management – Section 1, Draft 0

ISO IWA Kick-off Meeting and Session #1 “Guidance Principles”
Davos, Switzerland, 14 – 16 October 2015
SRI Roundtable – Structure

Assembly

Secretariat

Advisory Committee

- Developing the Guidance Principles
- Testing in SRI Participating Countries
- Supporting standards initiatives
- Communication & outreaching
Content

- Introduction
- Aim, Focus and Scope
- Structure, Principles and Objectives
- Feedback received
Guidance Principles - Filling in the gap!

- ISEAL Code of Good Practice for Setting Social and Environmental Standards
- GRI Sustainability Guidelines & Mining and Metals Sector Supplement
- Standards on specific metals: Fairtrade Gold; ASI; IRMA (draft); Responsible Jewellery Council; among others
Ultimate goal

- Influence the development of international, national and local policies, regulations and frameworks, corporate codes of practice, and standards and certification schemes.
Aim and focus

- Recommend environmental and socio-economic criteria to be taken into account when promoting the sustainable management of secondary metals.
- Focus on secondary metals.
- Context and needs of MSMEs in developing countries including the informal sector and operators concerned are particularly taken into account.
Guidance Principles – Scope

Scope of the Guidance Principles

- Collection
- Pre-processing
- End-processing
- Disposal

Waste
Use/manufacture
Trade

Manufacture
Use/Waste Disposal
Structure of the Guidance Principles

- **Foreword** – About ISO, WRF, SRI.
- **Introduction and scope** – Aims, issues addressed, target audience
- **Normative references** – Other ISO documents, ISEAL code.
- **Terms and definitions** – E.g. informal workers
- **Section 1** – Sustainability – Principles and Objectives.
- **Section 2** – Traceability, Assurance and Governance.

**Appendixes:** References: UNEP, Conventions, EC, ILO, IFC, FLO, IUCN, ASI, OECD, etc.

**Decision tree** for evaluating metals’ criticality and value
Guidance Principles: Sections 1 and 2

We are here!

Section 1
- Scope
- Terms
- Principles
- Objectives

Draft 1: Nov. 2015

Section 2
- Governance
- Traceability scheme
- Others

Draft 0: Jan. 2016
Draft 2: May 2016

Complete and agreed version: August 2016
Sustainability Principles and Criteria

Environmental

Social

Economic
Definition of informal workers

- are part of an informal economy - not regulated by the state.
- are not registered and do not receive social protection.
- include (i) employers and employees in informal enterprises; (ii) self-employed workers in their own informal enterprises; (iii) contributing family workers working in informal enterprises; and (iv) members of informal producers’ cooperatives.

Sustainability Principles and Objectives

**PRINCIPLE 1 Strengthening legality**

- **1.1** – Operations should comply with all applicable laws and regulations.
- **1.2** – Corruption should be eliminated.
- **1.3** – Money laundering and use of illegally acquired material should be eliminated.

**PRINCIPLE 2 Improving working conditions**

- **2.1** Working conditions should be clearly defined, approved and enforced by the operator and workers.
- **2.2** Ensure working time does not exceed 48 hours per week (max 60 hours with overtime)
- **2.3** Ensure fair remuneration of workers
- **2.4** Ensure freedom of association and the right to collective bargaining
- **2.5** No forced labour shall occur
- **2.6** No child labour shall occur
- **2.7** No discrimination shall occur
- **2.8** Proper working conditions shall be ensured for vulnerable and informal workers
Sustainability Principles and Objectives

**PRINCIPLE 3** Ensuring Occupational health and safety

- **3.1** Health & safety procedures should be in place.
- **3.2** Work places should be free from hazardous practices and hazardous substances.
- **3.3** Housing and accommodation should be healthy and hygienic

**PRINCIPLE 4** Building local community relations

- **4.1** Impacts on local communities should be evaluated. Negative impacts should be mitigated.
- **4.2** Free Prior and Informed Consent (FPIC) should be obtained from affected communities.
- **4.3** Local Communities’ rights should be respected.
- **4.4** Operations should benefit local livelihoods and living conditions.
- **4.5** Social inclusion of workers in the community.
Sustainability Principles and Objectives

**PRINCIPLE 5**  Ensuring biodiversity conservation and sustainable management of natural resources

- **5.1** Biodiversity, ecosystems and ecosystem services should be conserved and protected
- **5.2** Water and soil resources should be conserved and protected
- **5.3** Air quality should be protected

**PRINCIPLE 6**  Encouraging process efficiencies

- **6.1** The percentage of metal recovery in processing should increase over time.
- **6.2** The energy consumption and greenhouse gas (GHG) emissions should decrease over time.
Sustainability Principles and Objectives

PRINCIPLE 7  Achieving good management practices

• **7.1** Operators should conduct an integrated environmental and social impact assessment.

• **7.2** Operators should conduct a risk assessment and due diligence procedure on operations.

• **7.3** Operators should develop and implement a management plan, which includes environmental and social policies, in line with the content of the Guidance

• **Principles**

• **7.4** Contractors and subcontractors should comply with the Guidance Principles and their intent

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PRINCIPLE 8  Establishing a complaint and resolution mechanism

• **8.1** Complaint mechanisms should be developed, promoted, implemented and monitored.
## Principles, Objectives and Guidance - Example

<table>
<thead>
<tr>
<th>Guidance Principle 1 – Strengthening legality</th>
<th>Objective</th>
<th>Application scope</th>
<th>Involved stakeholders</th>
<th>Guidance</th>
<th>Support mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1.1:</strong></td>
<td>Operators should comply with all applicable laws and regulations</td>
<td>Metal collection, processing, storage, transportation, use and disposal.</td>
<td>· Individual workers&lt;br&gt;· Micro, Small and Medium sized Enterprises (MSMEs)&lt;br&gt;· Large Enterprises&lt;br&gt;· Intermediaries (traders, transporters)</td>
<td>MSMEs and large companies should be in possession of all relevant and valid legal titles.&lt;br&gt;Suggested steps:&lt;br&gt;1. Identify gaps in legal compliance and possession of legal titles and permits (year 1)&lt;br&gt;2. Define and implement a realistic work plan for acquisition of all legal permits and legal compliance (year 2)&lt;br&gt;3. Full legal status (year 3).</td>
<td>States and local authorities should implement measures to facilitate the legal registration and provision of legal titles to MSMEs, individual workers and association/cooperative of workers. Informal workers may form an association or a cooperative to obtain a legal status.&lt;br&gt;Suggested steps:&lt;br&gt;1. Creation of an association / cooperative (year 1)&lt;br&gt;2. Legal registration of the association / cooperative (year 2)</td>
</tr>
</tbody>
</table>
Highlights of comments received

**Focus and scope**

- Prioritize objectives that are most important to MSMEs in developing countries
- Consider more specific guidance to organize informal recyclers.
- Trade and transportation can happen between any of the steps and not just after end-processing.

**Terms and definitions**

- Use of international definitions (e.g. UNEP, OECD) and ISO directives for writing definitions.
- Do we need to define critical and valuable metals? How useful is the decision tree?
- Metals seem to refer to metal scraps in various places.
- Disposal of metals is wrong.
Highlights of comments received

- **Definitions needed or not**
  - Intermediaries, end users, supply chain actors, management unit, metal scraps vs waste, secondary vs recycled metals, discarding vs disposal.
  - No need to define ‘shall’ and ‘shall not’.

- **Principles**
  - Remove principle 6 on ‘Encouraging process efficiencies’, or not?
  - Clarify principle 5 on ‘Ensuring biodiversity conservation and sustainable management of natural resources’.
Highlights of comments received

- Objectives and guidance
  - Too many objectives
  - Not clear how to implement the guidance on ‘Money laundering and use of illegally acquired material should be eliminated (Obj. 1.3)’. Remove it.
  - Workers can work with hazardous substances provided there are proper working conditions, so, remove related Obj. 3.2

- Indicators to monitor progress of implementation are missing.
Thank you!