Guidance Principles for the Sustainable Management of Secondary Metals

Draft ‘1’

ISO IWA 19 Working Draft (WD) Stage

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**Acronyms**

1. B2B: Business-to-business
2. CD: Committee Draft
3. CENELEC: European Committee for Electrotechnical Standardization
4. CoC: Chain of Custody
5. CRC: Carey Research & Consulting
6. CSO: Civil Society Organisation
7. DWG: Definition Working Group
8. EMPA: Swiss Federal Laboratories for Materials Science and Technology
9. EPA: Environmental Protection Agency
10. EPR: Extended Producer Responsibility
11. FSC: Forest Stewardship Council
12. ISEAL Alliance: International Social and Environmental Accreditation and Labelling Alliance
15. ISO: International Organization for Standardization
16. M&E: Monitoring & Evaluation
17. NGO: Non-Governmental Organisation
18. OBA: Official Business Activities
19. OECD: Organisation for Economic Co-operation and Development
20. PACE: Partnership for Action on Computing Equipment
21. PDAC: Prospectors & Developers Association of Canada
22. SA: Subsistence Activities
23. SECO: Swiss State Secretariat for Economic Affairs
24. SNV: Swiss Association for Standardization
25. SRI: Sustainable Recycling Industries
26. TBT: Technical Barriers to Trade
27. UBA: Unofficial Business Activities
28. UN: United Nations
29. UNEP: United Nations Environment Programme
30. WD: Working Draft
31. WEEE: Waste Electrical and Electronic Equipment
32. WRF: World Resources Forum
33. WTO: World Trade Organization
Foreword

The original idea to develop a set of Guidance Principles for the Sustainable Management of Secondary Metals was proposed by the Sustainable Recycling Industries (SRI) Roundtable, an initiative of the World Resources Forum (WRF) in partnership with the Swiss Federal Laboratories for Materials Science and Technology (Empa). This project is funded by the Swiss State Secretariat for Economic Affairs (SECO), as part of the Sustainable Recycling Industries programme.

The process to develop the Guidance Principles followed the consultation processes of the International Organization for Standardization’s (ISO) International Workshop Agreement (IWA) format and the multi-stakeholder approach embedded in the ISEAL Alliance Codes of Good Practice. An IWA is an ISO document produced through a number of workshop meetings rather than through the full ISO Technical Committee process. Interested stakeholders may directly participate in developing an IWA and do not have to go through a national delegation.

The project commenced in July 2015 and was completed in November 2016. This Working Draft (WD) was developed, revised and approved through a public and transparent process encompassing local in-country consultations and workshops involving governments, private sector, practitioners, NGOs and researchers in the field of sustainable management of secondary metals.

The Guidance Principles aim to promote sustainable recovery and recycling of metals. The Guidance Principles differentiate between various types and scales of activities along the secondary metal value chain and as such do not prescribe a ‘one size fits all’ approach. The Guidance Principles also provide direction regarding assurance, traceability, as well as governance for their revision and interpretation. The Guidance Principles aim to provide guidance to economic operators (e.g. individuals, micro-, small and medium enterprises, large enterprises) in addition to governments, sustainability standard organisations, NGOs and other interested parties willing to improve practices in the sustainable management of secondary metals.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2. www.iso.org/directives

Attention is drawn to the possibility that some elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be stated in the Introduction and/or on the ISO list of patent declarations received. www.iso.org/patents

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement. For an explanation on the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO’s adherence to the WTO principles in the Technical Barriers to Trade (TBT) see the following URL: Foreword - Supplementary information (www.iso.org/iso/foreword).

The committee responsible for this document is ISO IWA 19/Technical Management Board Groups.

1 Information on International Workshop Agreement IWA. Available at: www.iso.org/iso/home/standards_development/deliverables-all.htm?type=iwa
The drafting and revision of this document was jointly carried out by WRF (www.wrforum.org), the Roundtable on Sustainable Recycling Industries (www.sustainable-recycling.org), EMPA (www.empa.ch), E4tech (www.e4tech.com) and CRC (www.voluntarystandards.com).
Introduction

Collecting and recycling metals (e.g. gold, copper, aluminium) found in waste that contains metals (e.g. mobile phones, computers, cars, ships) is a rapidly growing economic activity in many developed and developing and emerging economies. Yet, often in developing and emerging economies, the environmental impacts of such activities combined with poor working conditions and poor health and safety practices create significant negative impacts on workers, their families, communities and natural environments (Robinson, 2009; ILO, 2012). The vision of the Guidance Principles is to promote and ensure social equity, environmental justice and the optimal recovery of metals in the sustainable management of secondary metals worldwide, for present and future generations.

Overall Aim

The overall aim of the Guidance Principles is to provide a credible and practical global framework for companies, governments, policy makers, NGOs, sustainability standard organisations and other interested stakeholders. The Guidance Principles are expected to support them in implementing and improving their environmental and socio-economic performance and working practices in the recovery and recycling of secondary metals. The Guidance Principles focus in particular on improving working and living conditions from a social and environmental perspective for the most vulnerable and disadvantaged workers in developing and emerging economies. This document is neither a technical standard for recycling metal, nor does it aim to be implemented as a stand-alone certification scheme. Rather, it is a set of global Guidance Principles and associated objectives to provide guidance on how to deliver change. The overarching principles that inform the development and implementation of the Guidance Principles are: shared responsibility, transparency, engagement, continuous improvement, and equality. The Guidance Principles build upon previous work done by the Sustainable Recycling Industries (SRI) Roundtable, including the SRI Social Criteria (SRI, 2015) and technical reports by the United Nations Environment Programme (UNEP, 2013a; UNEP, 2013b). Key pathways for the implementation of the Guidance Principles will be through uptake by companies, local, national and regional governments, sustainability standards systems and others involved in secondary metal value chains. The SRI Roundtable aims to actively collaborate with all interested organisations on such integration. In addition, the SRI Roundtable supports the development and co-learning opportunities between sustainability standards and the Guidance Principles, and plans to conduct pilot tests of the assurance system in developing and emerging economies.

Structure of the Guidance Principles

Part 1 outlines the scope of the Guidance Principles, and Part 2 provides a list of the normative references cited in the Guidance Principles. Part 3 provides an essential list of the terms and definitions and Part 4 (Section 1) introduces the five Guidance Principles and 17 associated objectives. Each objective is accompanied by a set of explanatory notes, as well as recommendations for support mechanisms to be adopted at various levels of government and/or by local authorities (e.g. creating an enabling legal framework, providing financial incentives, and technical assistance), NGOs, CSOs, as well as by the private sector independently or as public-private partnerships.

Part 5 (Section 2) Assurance and Traceability describes the requirements for a credible traceability of sustainable secondary metals.
The final parts include (i) the governance (Part 6) for future revisions and interpretations of this document, as well as the responsibilities of the implementing body to be set up, (ii) a bibliography (Part 7) and (iii) three Annexes with a list of examples to facilitate a better understanding of the types of waste that contains metals covered by the Guidance Principles (Annex A), guidance on how to conduct socio-economic and environmental due diligence processes (Annex B) and a monitoring and evaluation system (Annex C).

**Legal Notice**

Should any of the Guidance Principles and objectives included in this document be in contradiction with any local or national law, the latter should prevail. However, economic operators, policy-makers, standard-setters and other users of these Guidance Principles should strive to put in place measures and processes that ensure a higher level of sustainability outcomes.

**Validity date**

Version 1.0 of the Guidance Principles shall be effective as of [insert date]
Guidance Principles for the Sustainable Management of Secondary Metals

1. Scope

1.1 Target beneficiaries

It is envisaged that there will be many beneficiaries from the improved practices resulting from the implementation of the Guidance Principles. The Guidance Principles aim to primarily benefit vulnerable and disadvantaged workers involved in Subsistence Activities (SA). They also benefit economic operators involved in Unofficial Business Activities (UBA) and Official Business Activities (OBA) in secondary metal value chains in developing and emerging economies.

1.2 Intended Users (Who should use the Guidance Principles?)

Intended users include ‘potential agents of change’ along the secondary metal value chain which are those currently or potentially involved directly and indirectly in secondary metal operations, such as: (a) economic operators (see list below and definitions), (b) local, regional, and national governments and policy-makers; (c) sustainability standards systems; and (d) NGOs and CSOs.

1.3 Application of the Guidance Principles

- The Guidance Principles apply to economic operators involved in:
  - Subsistence Activities (SA)
  - Unofficial Business Activities (UBA)
- Official Business Activities (OBA): Economic operators in the secondary metal value chain are comprised of collectors, processors and transporters of waste that contains metals and/or recovered secondary metals. In addition, there are exporters, buyers and traders of secondary metals.
- Processes include collection, pre-treatment and metallurgical processing of waste that contains metals. The secondary metal value chain starts with end-of-life goods discarded by households or industries. Transportation and trade between processes and between producers and buyers are also considered.

In addition, requirements related to assurance and traceability (Section 2) of sustainable secondary metals also apply to transporters in the secondary metal value chain.

The Guidance Principles are globally applicable, but geographic and metal-specific adaptations are allowed as long as they follow the process described in section 6.4.

This Version 1.0 of the Guidance Principles focuses on waste that contains metals. In future versions, consideration may be given to expand the scope to include other natural secondary resources such as glass or plastics.

The Guidance Principles, objectives, explanatory notes and suggested supporting mechanisms address a broad audience of different economic operators along the secondary metal value chain (see above), as well as standards organisations, government bodies and industry associations, who might integrate these in an existing standard and/or verification/certification program, or as a framework for the development of specific policies and guidelines for sustainable production and use of secondary metals.

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2 See Section 3 for definitions.
Figure 1 and Figure 2 below detail the scope of the Guidance Principles with regards to the different processes/flows, economic operators and target beneficiaries throughout the secondary metal value chain.

**Figure 1: Scope of the Guidance Principles: Processes and flows considered**

- **Collection**
- **Pre-treatment**
- **Metallurgical Processing**
- **Use/ manufacture**
- **Landfilling/ incineration**

Waste that contains metals

Non-hazardous waste including metals
Hazardous waste including metals
Metal losses
Low quality metal alloys

Processes in the scope of the GP

The scope includes transportation/trade of waste that contains metals and transportation/trade of materials produced from the collection of waste that contains metals until the recovered metals reach the use/manufacture stage.

**Figure 2: Scope of the Guidance Principles: Economic operators and target beneficiaries**

- **Manufacturer/ Retailer/ importer***
- **Consumers***
- **International recycling industries**
- **Manufacurer/ Retailer/ importer***
- **Consumers***

Official business activities (OBA)*
Unofficial business activities (UBA)**
Subsistence activities (SA)*

Possible interactions:
- UBA and SA are part of the informal sector
- Actors required to apply the GP in their activities. This includes transporters/traders of waste that contains metals and transporters/traders of materials produced by OBA, UBA and SA

$ Earning more than thresholds established to be exempted of taxes
* Dedicated to metal recycling
** of materials that contain metals
*** buying / using metal recovered usually from traders or recycling industries
2. Normative references

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) apply.


ISO 14001: 2015, *Environmental management systems -- Requirements with guidance for use*

ISO/IEC 17025: 2015, *General requirements for the competence of testing and calibration laboratories*


3. Terms and definitions

For the purposes of this document, the following terms and definitions apply:

3.1 affected communities

Communities which are directly impacted by the consequences of activities related to metal collection, processing, disposal and/or use of residues. These communities usually live in the surrounding of operations and may be impacted, either positively (e.g. job creation, infrastructure building, enhanced livelihood) or negatively (e.g. pollution, noise, human right infringement).

[SOURCE: PDAC, 2009, modified]

3.2 assurance

Grounds for justified confidence that a claim has been or will be achieved.


3.3 chain of custody (CoC)

Chain of responsibility for or control of materials as they pass from one entity to another through each step of the process or product system under assessment.

Note 1 to entry: Economic operators and chain of custody refer to different concept and cannot be used interchangeably.

[SOURCE: ISO 13065:2015, 3.7, modified]

3.4 collection [of waste containing metals]

Gathering of wastes, including the preliminary sorting and preliminary storage of wastes for the purposes of transport to a logistics or treatment facility or to the next economic operator. Examples of collection include curb side collections, recycling centres, etc.

Note 1 to entry: Metal gathering may result in a blend of metals, and may even include impurities of non-metals.

[SOURCE: CENELEC, 2014, modified; Developed by members of the ISO IWA 19 DWG*]

3.5 disadvantaged workers

Persons with difficulties to enter the labour market without assistance, e.g. migrants, persons from ethnic minorities, unskilled workers, etc.

[SOURCE: EU Regulation EC 2204/2002, 2.f]
3.6 economic operator

any individual, enterprise, association, cooperative or organisation involved in the collection, pre-treatment, metallurgical processing, preparing for re-use, storage, transportation, trading, disposal and/or use of metal-containing wastes and/or their residues as part of subsistence activities (SA), unofficial business activities (UBA) or official business activities (OBA)

Note 1 to entry: Economic operators and chain of custody refer to different concept and cannot be used interchangeably

3.7 ecosystem services

benefits people derive from ecosystems. Besides provisioning services or goods like food, wood and other raw materials, plants, animals, fungi and micro-organisms provide essential regulating services such as pollination of crops, prevention of soil erosion and water purification, and a vast array of cultural services, like recreation and a sense of place. More specifically, this includes:

1) Supporting services: Nutrient cycling, soil formation and primary production.
2) Provisioning services: Food, fresh water, wood, fibre and, fuel.
3) Regulating services: Climatic regulation, flood regulation, disease regulation, and water purification.
4) Cultural services: Aesthetic, spiritual, educational, and recreational

3.8 environmental and social impact assessment

instrument whose purpose is to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation/enhancement, monitoring, consultative and institutional strengthening measures

3.9 exporter

any person under the jurisdiction of the State of export who arranges for materials and/or waste to be exported

3.10 extended producer responsibility (EPR)

environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle. In practice, EPR implies that producers take over the responsibility for collecting or taking back used goods and for sorting and treating for their eventual recycling
3.11 extended producer and buyer responsibility

A responsibility starting at birth or purchase of product and ending at selling or well-defined and documented waste treatment of product.

Note 1 to entry: The intention of the term ‘extended’ means that the product cannot be discarded or neglected unless there is a contract towards a new buyer or waste treatment.

[SOURCE: OECD, 2011, modified; Developed by the ISO IWA 19 DWG*]

3.12 forced labour

Forced labour includes all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

[SOURCE: ILO Convention 29]

3.13 hazardous waste disposal

The final placement of wastes that are deemed hazardous to humans or the environment, and that it is not salvaged or recycled.


3.14 hazardous waste

Waste that is potentially flammable, combustible, ignitable, corrosive, toxic, reactive, or injurious to people or the environment.

[SOURCE: ISO 15190:2003]

3.15 importer

Any person under the jurisdiction of the State of import who arranges for materials or other wastes to be imported.

[SOURCE: Basel Convention, 1989]

3.16 informal sector

The informal sector covers a wide range of labour market activities that combine two groups of different nature. On the one hand, the informal sector is formed by the coping behaviour of individuals and families in economic environment where earning opportunities are scarce (i.e. Subsistence activities). On the other hand, the informal sector is a product of rational behaviour of entrepreneurs that desire to escape state regulations (i.e. Unofficial business activities).

[SOURCE: The World Bank, 2015, modified]
3.17

living wage

remuneration received for a standard work week by a worker in a particular place, sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.

[SOURCE: ISEAL Alliance, 2013]

3.18

metallurgical processing

physical (manual/mechanical), thermal or metallurgical/chemical processing of wastes containing metals which results in the separation of different metals and/or a fraction of higher metal content with a specified property.

[SOURCE: Developed by members of the ISO IWA 19 DWG*]

3.19

metal storage

storage of metals in various forms, including collected secondary metals for further processing, and processed metals for further trading or processing.

[SOURCE: Developed by members of the ISO IWA 19 DWG*]

3.20

official business activities (OBA)

economic activities conducted by registered firms which are under government regulation, taxation and observation.

[SOURCE: The World Bank Group, 2013, modified]

3.21

pre-treatment [of waste containing metals]

this includes sorting, dismantling and mechanical treatment of waste containing metals.

[SOURCE: UNEP, 2009, modified]

3.22

primary metal

metal extracted from minerals and free of reclaimed metal scrap.


3.23

protected area

protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with
associated ecosystem services and cultural values

[SOURCE: IUCN Definition, 2008]

3.24
recycling
the series of activities, including collection, separation, and processing, by which products or other materials are recovered from the solid waste stream for use in the form of raw materials in the manufacture of new products, other than fuel for producing heat or power by combustion

[SOURCE: Basel Convention, 2004]

3.25
registration
national or local legal license or set of permissions to operate as an enterprise, with rights to buy and sell products and/or services commercially. The license or permissions can apply to an individual, a privately-owned enterprise or a publicly-owned corporate entity. The rights to buy and sell products and/or services do not carry the obligation to do so, so legal registration applies also to economic operators without sales of products or services; for example, for unpriced recreation or for conservation of biodiversity or habitat

[SOURCE: FSC, 2015, modified]

3.26
secondary metal
metal which does not originate from a primary ore but from a recycling process or from processing of waste streams from primary production

[SOURCE: Developed by WRF and E4Tech*]

3.27
stepwise approach
initiatives or projects that enable economic operators to move in a gradual way towards improved social and/or environmental performance

[SOURCE: ISEAL Alliance, 2011, modified]

3.28
subsistence activities (SA)
action of maintaining or supporting oneself, especially at a minimal level. These activities are part of the informal sector

[SOURCE: Developed by WRF and E4Tech*]

3.29
thermal processing
processing of waste material by means of heat. The Basel Convention uses this term on page 77 as follows: uncontrolled thermal process such as open burning practices
3.30 traceability
ability to trace the history, application or location of that which is under consideration

[Source: ISO 14200: 2012]

3.31 unofficial business activities (UBA)
economic activities conducted by non-registered organisations or by registered organisations but hidden from taxation which are not monitored by any government. These activities are part of the informal sector

[Source: The World Bank Group, 2015, modified]

3.32 vulnerable workers
those who are at risk of having their workplace entitlements denied, or who lack the capacity or means to secure them

[Source: UK Health and Safety Executive (HSE), 2016]

3.33 waste disposal
the final placement of waste that is not salvaged or recycled

[Source: EPA, 1997b, modified]

3.34 waste that contains metals
materials that are disposed of, are intended or required to be disposed and contain metals with the potential to be recovered

[Source: Basel Convention, 1989, modified]

3.35 workers
all persons including public workers, workers in the informal sector (subsistence and unofficial business activities), in official business activities as well as ‘self-employed’ persons. This includes part-time and seasonal workers of all ranks and categories, including labourers, administrators, supervisors, executives, contractor workers, as well as self-employed contractors and subcontractors


* Source will be replaced by ‘developed by members of the ISO IWA 19’ once agreed by them.
4. Section 1: Principles and Objectives

4.1 Introduction

The Guidance Principles on the Sustainable Management of Secondary Metals consist of five key principles. Principle 1 through Principle 4 aim to: ensure safe, healthy and equitable working conditions; build and strengthen local community relations and resilience; conserve and protect the environment and natural resources; and improve the recovery of secondary metals. Principle 5 focuses on implementing a sustainable management approach that will support the effective application of the first four principles.

Figure 3: The five Guidance Principles for Sustainable Management of Secondary Metals
4.2 Overview of the Guidance Principles

PRINCIPLE 1 – Enabling safe, healthy and equitable working conditions

- **Objective 1.1** – Implement measures to enable safe and healthy work places along the secondary metal value chain.
- **Objective 1.2** – Promote decent working terms and conditions.
- **Objective 1.3** – Implement measures to eliminate child labour, forced labour, harassment and all forms of discrimination.
- **Objective 1.4** – Promote and support freedom of association, the right to collective bargaining and grievance mechanisms for workers.
- **Objective 1.5** – Establish clear channels for communication, transparency and dialogue with workers.

PRINCIPLE 2 – Building and strengthening local community relations and resilience

- **Objective 2.1** – Respect and foster local communities’ rights.
- **Objective 2.2** – Implement measures to enable the social inclusion of workers in the community.
- **Objective 2.3** – Establish clear channels for communication, transparency and dialogue with local communities and affected stakeholders.

PRINCIPLE 3 – Conserving and protecting the environment and natural resources

- **Objective 3.1** – Conserve and protect biodiversity, ecosystems, and ecosystem services.
- **Objective 3.2** – Conserve and protect water, air and land resources.
- **Objective 3.3** – Restore severely damaged areas due to previous and current metal recovery operations and demand the restoration caused by previous third parties’ activities.

PRINCIPLE 4 – Improving recovery of secondary metals

- **Objective 4.1** – Develop, implement and promote technologies and strategies to increase secondary metal recovery related to quantity and quality.

PRINCIPLE 5 – Implementing a sustainable management approach

- **Objective 5.1** – Document and evaluate the existing baseline conditions of secondary metal operations in the four areas addressed by Principles 1 through 4.
- **Objective 5.2** – Develop, implement, and monitor to continuously improve a management plan that aims to mitigate negative impacts and strengthen positive impacts of secondary metal operations.
- **Objective 5.3** – Strengthen the organisational capacity of economic operators involved in secondary metal operations.
- **Objective 5.4** – Implement measures to ensure compliance with local and/or national laws, rules and regulations.
- **Objective 5.5** – Implement measures to eliminate bribery and corruption.
### 4.3 Guidance Principles, Objectives, Explanatory Notes and Supporting Mechanisms

#### PRINCIPLE 1 – Enabling safe, healthy and equitable working conditions

**Objective 1.1**
Implement measures to enable safe and healthy work places along the secondary metal value chain.

**Application Scope**
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

**Explanatory Notes**

**Awareness raising and training on health and safety matters**
Training to workers on occupational health and safety, and emergency and first aid response at workplace shall be provided by economic operators.

Training programmes shall be delivered at a level suitable to the trainee in form, manner and language.

Workers training materials and information including technical guidance documents, risk assessments, safety statements, information charts, information tables, photos or examples and safety data sheets for hazardous chemical components shall be available at the workplace and be easily accessible at all times.

Workers should be able to demonstrate awareness of all procedures and risks.

Hazardous substances shall be properly handled, managed, used and disposed of.

**Equipment and facilities**
Personal Protective Equipment (PPE), including masks, goggles, gloves, safety tools, hard hats and clothing to protect workers from

**Supporting Mechanisms**

- **Governments and local authorities** should provide support to economic operators willing to put in place health and safety procedures, e.g. including training, equipment, financial incentives.

- **Trade unions and work associations** should provide workers with information about their labour rights as well as advice and support for their enforcement.

- **Governments and local authorities** to work with economic operators to support measuring and monitoring of safe and acceptable levels of exposure to hazardous substances.

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3 Disclaimer: Along the table, the term "economic operator" is used to refer to individuals and companies, while the term "workers" is used to refer to employees, managers, contractors, subcontractors, etc.

4 Disclaimer: Along the table, the column "involved stakeholders" do not refers to beneficiaries of the Principles, but to who is responsible for putting the specific measure in place.

5 Disclaimer: Although it is not explicitly mentioned along the table, "transportation/trade of waste that contains metals and transportation/trade of materials produced from the collection of waste that contains metals until the recovered metals reach the use/manufacture stage" must be understood as included under “Application Scope”.

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hazards and hazardous substances shall be provided to workers at no cost by economic operators.

First aid equipment shall be available to all workers.

Minimum sanitary facilities shall exist and adoption of healthy habits by workers (i.e. washing hands before lunch) should be encouraged by economic operators.

A clean space for eating shall be provided by economic operators.

Clearly marked, unlocked and unblocked emergency exits shall exist and be known to all workers.

**Monitoring**

Economic operators shall maintain records of all accidents, occupational injuries and diseases. Records should be made accessible to workers, and relevant authorities.

Economic operators should monitor workers’ exposure to hazardous substances and ensure it remains within acceptable levels. Exposure may be measured directly (e.g. air sampling) or through medical examination of workers (e.g. blood samples). Acceptable levels (thresholds) are set by national authorities. In absence of national thresholds, international references (e.g. WHO) should be used.

Medical checks should be provided for workers, at least once per year, by economic operators.

**Governments and local authorities** should establish and communicate recommended maximum exposure levels, and recommendations for appropriate protective equipment. They should put controls and inspections in place to verify that maximum exposure levels are respected. Sanctions should be developed and enforced against offenders, appropriate to the size and nature of the economic operator.

**Governments and local authorities** should develop affordable facilities and standard protocols for the testing and monitoring of workers’ exposure to hazardous substances.

**Suggested steps**

- Develop and implement a training plan on awareness raising and training activities with active participation of workers in the process of identification and monitoring the issues of concern related to health and safety.
- Provide required equipment and facilities to enable safe and healthy workplaces.
- In case of lack of facilities and resources for equipment, actively seek for support from concerned stakeholders (i.e. Governments, local authorities or CSO) to get access to them.
- Regularly test the health and safety procedures.
- Monitor incidents and accidents on occupational health and safety issues and assess evolution over time.

**Objective 1.2**

Promote decent working terms and conditions.

**Application Scope**

- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**

- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)
### Explanatory Notes

<table>
<thead>
<tr>
<th>Awareness raising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic operators should ensure that all workers are aware of the terms and conditions in their contract.</td>
</tr>
</tbody>
</table>

### Employment agreements

A contract that includes all terms related to working conditions and employer’s / worker’s rights and responsibilities should be provided by economic operators. Terms include but are not limited to:

- Working hours & overtime
- Remuneration
- Holidays
- Notice period
- Social benefits

### Working hours & overtime

The applicable laws and regulations, if any, shall prevail for working hours and rules for overtime. The recommended maximum number of hours per week is 48. Overtime should be negotiated with workers on a voluntary basis and should not exceed 60 hours (including regular hours).

### Remuneration

If higher than the minimum wage, economic operators should apply the living wage applicable in the country. Otherwise, the minimum wage shall prevail. The remuneration should be negotiated and agreed by both parties.

Whenever possible, payment per hour should be preferred over payment per weight (piece work). If payment by weight is applied, a minimum remuneration equivalent to a payment per hour for a similar amount of time should be ensured.

In line with ILO Convention 100, economic operators shall ensure there is equal remuneration for men and women for work of equal value. Rates of remuneration are established without discrimination based on gender.

### Holidays

All paid holiday leave and national holidays shall be due as per the law. Paid sick leave to be provided as prescribed by law or in compliance with worker’s unions’ guidance.

### Social benefits

In case of sickness or injury at the work place, the economic operator should provide medical assistance.

### Supporting Mechanisms

<table>
<thead>
<tr>
<th>Local authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>should contribute to enabling environment to improve working conditions, including awareness raising activities, information, helpdesk, sharing of equipment and provision of credits, if needed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governments and local authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>should develop and enforce regulations and policies to ensure all workers are provided with a legal contract. Controls and inspections should be put in place to verify that the terms and conditions in workers’ contracts are respected.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governments and local authorities</th>
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</thead>
<tbody>
<tr>
<td>should implement measures to facilitate the legal registration of workers, payment of workers’ wages and general administrative processes.</td>
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</table>

<table>
<thead>
<tr>
<th>Governments and local authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>in partnership with businesses, NGOs and CSOs should support the establishment of a living wage, which allows workers and their families to fulfil their basic needs (e.g. nutrition, health, shelter, education and transport).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade unions and work associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>should provide workers with information about their labour rights as well as advice and support for their enforcement.</td>
</tr>
</tbody>
</table>
Suggested steps

- Organise awareness raising activities on working terms related topics.
- Identify issues of major concern including non-compliances and prepare and implement an action plan towards improvement of the situation.
- Organise advisory services or helpdesk for workers to be able to consult on potential on questions, current issues, non-compliances or deviations of the working terms related topics.
- Monitor evolution of the status of the issues of concern and non-compliances and assess the evolution over time.

Objective 1.3
Implement measures to eliminate child labour, forced labour, harassment and all forms of discrimination.

Application Scope
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

Involved Stakeholders
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

Explanatory Notes

Child labour
In the absence of national applicable laws, the application of the ILO Conventions is recommended.

In line with ILO Convention 138, no child under 15 years of age should be employed, except in support of their family and outside of schooling hours.

In line with ILO Convention 182, children under 18 years of age should not be employed in any activity that could harm their health, safety or morals.

Forced labour
In line with ILO Convention 29, no work or service exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily shall not take place.

Workers should be free to leave the operation site at all times and the freedom of movement of those who live in the site shall not be restricted.

Harassment
Measures should be put in place by economic operators to prevent any harassment, with a specific focus on vulnerable and disadvantaged workers, women, children and migrant workers.

Discrimination

Supporting Mechanisms

Civil Society Organisations should support governments by developing adapted schooling programs for children supporting their family and income generation programmes to compensate for children not working.

Governments and local authorities should enforce ILO Convention 29 and put controls and inspections in place to verify that no forced labour occurs. Sanctions should be developed and enforced against offenders, appropriate to the size and nature of the economic operator.

Governments and local authorities should enforce ILO Convention 138 and 182, and put controls and inspections in place to verify that no child labour occurs.
Measures should be put in place by economic operators to ensure workers and external contractors are free of any discrimination. Discrimination includes:

(a) any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation; (b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the State concerned after consultation with representative employers’ and workers’ organisations, where such exist, and with other appropriate bodies. (ILO Convention 111).

Sanctions should be developed and enforced against offenders, appropriate to the size and nature of the enterprise.

Governments and local authorities should enforce ILO Convention 111, and put controls and inspections in place to verify that no discrimination occurs. Sanctions should be developed and enforced against offenders, appropriate to the size and nature of the enterprise.

Trade unions and work associations should provide workers with information about their labour rights as well as advice and support for their enforcement.

Suggested steps

- Organise awareness raising activities to enforce the elimination and prevention of forced labour, child labour, harassing and discriminatory practices.

- Identify issues of major concern including non-compliances and prepare and implement an action plan towards improvement of the situation.

- On child labour (i) identify cases of working children; (ii) develop programmes to phase out child labour and to promote their re-insertion in the school, in partnership with their families, local authorities and civil society organisations.

- Organise advisory services or helpdesk for workers to be able to consult on potential or current forced labour, child labour, harassing and discriminatory practices.

- Monitor evolution of the status of the issues of concern and non-compliances and assess the evolution over time.

Objective 1.4
Promote and support freedom of association and the right to collective bargaining.

Application Scope

- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

Involved Stakeholders

- Official Business Activities (OBA)
### Explanatory Notes

#### Freedom of association and collective bargaining

Workers should be free to form or join work associations of their choice, as per ILO Convention 87.

Economic operators should inform workers of their right to join associations or unions and/or to facilitate their creation.

Economic operators should inform workers of any existing collective bargaining agreement at the site.

If the formation of worker’s associations or unions is prohibited in the country of operations, economic operators should provide a mechanism to engage with employers without breaking the law.

### Supporting Mechanisms

**Governments and local authorities** should work to enforce ILO Convention 87 and authorize the creation of worker’s unions and associations and ensure their right to collectively bargain with employers.

**Governments and local authorities** should implement measures to support local communities, workers and enterprises throughout grievance processes, e.g. by providing legal support or facilitating mediation processes.

**Trade unions and work associations** should provide workers with information about their labour rights as well as advice and support for their enforcement.

### Suggested steps

- Facilitate the activities of worker’s unions and associations i.e. by providing the space and time for meetings and by providing representatives of worker’s unions and associations with required information to implement their activities.

### Objective 1.5

Establish clear channels for communication, transparency and dialogue with workers.

#### Application Scope

- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

#### Involved Stakeholders

- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

#### Explanatory Notes

**Communication at workplaces**

**Supporting Mechanisms**

**Civil Society Organisations** should support economic operators and workers in their
Regular meetings and communication platforms should be organised by economic operators to inform workers and get feedback from them on relevant issues.

**Grievance mechanism**

A complaint system should be developed for the resolution of conflicts or grievance involving employers, workers, contractors, subcontractors, local communities and/or authorities.

The complaint system should be made publicly available and explain how to file a grievance or complaint against the economic operator, how it is being handled, how the results are communicated and how to file an appeal.

**Communication with other stakeholders**

Dialogue between stakeholders from Subsistence Activities (SA), Unofficial Business Activities (UBA) and Official Business Activities (OBA) should be promoted by economic operators from Official Business Activities (OBA) to inform and get feedback on common issues of concern.

**Suggested steps**

- Facilitate the time and infrastructure needed for meetings and exchange with workers (e.g. dedicated internet platform and venues).
- If a grievance mechanism has not been yet created and/or implemented, organise a helpdesk or possibilities for workers to raise, discuss and resolve issues of concerns or requirements, whenever needed.
- Monitor the number of complaints and cases resolved and assess the evolution over time.

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**PRINCIPLE 2 – Building and strengthening local community relations and resilience**

**Objective 2.1**

Respect and foster local communities’ rights.

**Application Scope**

- Collection (waste that contains metals);
- Pre-treatment;
- Metallurgical process

**Involved Stakeholders**

- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)

**Explanatory Notes**

**Community rights**

Economic operators should identify existing local communities’ rights and concerns, focusing on the following but not limited to if necessary:

- Right to health and security;
- Access to resources;
- Land rights, land-tenure rights, and land-use rights;

**Supporting Mechanisms**

Governments and local authorities should monitor transactions between economic operators and local communities and make sure that operations do not infringe on the rights of local communities, especially land rights, land-
**Objective 2.2**
Implement measures to enable the social inclusion of workers in the community.

**Application Scope**
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**
- Official Business Activities (OBA)

**Explanatory Notes**

**Baseline and measures for improvement**
Economic operators should be aware of cases dealing with the social exclusion of workers (no acceptance by the neighbours and local community), assess the situation and propose measures for improvement.

**Monitoring**
The cases of social exclusion should be documented, monitored and evolution of the situation assessed over time.

**Suggested steps**
- Assess the risks of social exclusion of workers with support of local specialists and identify possible actions to improve the situation.
- Organise regular awareness raising events with workers at risk of social exclusion with the aim to jointly identify ways and measures to minimize the risks.

**Supporting Mechanisms**
Civil Society Organisations should support with the identification and assessment of cases of social exclusion and help proposing measures and actions to improve their situation.
- The process and measures should be supported by the economic operator and take into account the sensitivities and potential different backgrounds of the workers.
- Organise a helpdesk or possibilities for concerned workers to raise, discuss and resolve issues of concerns or requirements, whenever needed.
- Monitor the number of social exclusion related cases resolved and assess the evolution over time.

**Objective 2.3**
Establish clear channels for communication, transparency and dialogue with local communities and affected stakeholders.

**Application Scope**
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)

### Explanatory Notes

#### Awareness raising
Economic operators should inform affected communities and authorities about any potential risk to the environment or the people, as well as measures to be taken into account and implement to enable health and safety living conditions.

#### Complaint resolution mechanism
Economic operators should develop and implement a complaint resolution mechanism for local communities.

Affected communities and authorities should have the opportunity to contact the economic operator using post, telephone, email, website, and/or an in-person visit. Economic operators should ensure that a written response is provided to stakeholder(s) within one month of contact.

### Civil Society Organisations

#### Supporting Mechanisms

- Organise regular meetings with the communities in order to establish a relationship based on trust between the affected communities and the economic operators and thus ensure fruitful agreements between them.
- Facilitate the resources and infrastructure needed for engaging with the local community in a proper way.
- If a complaint resolution mechanism has not been established yet, organise regular meetings and workshops in affected communities to identify possible concerns and/or complaints.
- Monitor the number of complaints and cases resolved and assess the evolution over time.
### PRINCIPLE 3 – Conserving and protecting the environment and natural resources

#### Objective 3.1
Conserve and protect biodiversity, ecosystems, and ecosystem services.

#### Application Scope
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

#### Involved Stakeholders
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)

#### Explanatory Notes

#### Baseline
Economic operators should identify all legally protected or natural areas and ecosystem services surrounding its operation site(s).

#### Protection measures
Measures should be in place to avoid damage to the protected or natural area(s) surrounding the operations. Measures include but are not limited to the containment of any hazardous process and the creation of buffer zones between the operation site(s) and the protected/natural areas.

Economic operators shall ensure that ecosystem services within and around the operation site(s) are maintained or improved.

For operation sites (e.g. storage sites, factories, landfills) established or extended after 1 January 2014, previous land use(s) type should be documented.

New operations or extension of existing ones should not lead to the conversion of any protected or natural area after January 1, 2014.

#### Supporting Mechanisms
Governments, local authorities and civil society organisations should make all information, maps and records of legally protected and natural areas available to economic operators; they should conduct ecological assessments of areas, which have not been mapped or documented.

#### Suggested steps
- **Evaluation of existing ecosystem services using tools such as ARIES® or equivalent.**
- **If surrounding areas foster biodiversity, ecosystem services and other important high conservation values, creation of buffer zones between operations and surrounding areas.**
- **Identify the sources of impact on biodiversity, ecosystems and ecosystem services and options to avoid severe impacts on the protected or natural area(s) surrounding the operations.**
- **Assess the improvements options and select them in line with the overall vision, aim and scope of the sustainable management approach setup.**
- **Provide training to workers concerned with the implementation.**
- **Implement the improvements selected according to an agreed plan.**
- **Develop a system to monitor the results of improvement measures implemented.**

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6 ARIifical Intelligent for Ecosystem Services (ARIES). Available at: [www.ariesonline.org](http://www.ariesonline.org)
- Develop a process to monitor and preserve identified ecosystem services.
- Record accidents and damages caused to legally protected or natural areas and ecosystem services surrounding its operation site(s) and make information about these complains available to local authorities and governments.

## Objective 3.2

Conserve and protect water, air and land resources.

### Application Scope

- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

### Involved Stakeholders

- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

### Explanatory Notes

**Baseline**

Economic operators should put measures in place to identify potential risks and current impacts of their own activities on the surrounding areas and on the local community.

Economic operators should identify the source of the water used for operations e.g. public water transportation network, rainwater harvesting, recycled water, watersheds (through a well), rivers and lakes. Economic operators may conduct their own water footprint calculation, in line with ISO 14040 and ISO 14046.

Economic operators should be aware of existing water shortages, droughts and other difficulty to fulfil local water needs. Economic operators should be aware of other users of the same water resources.

Economic operators should identify the amount and kind of land used for operations and impacts on soils.

Economic operators should identify the overall processes components and outputs of the operations that consume energy and cause GHG emissions as well as sources of other emissions including particulate, thermal, odour noise and vibration pollution.

**Conservation and protection measures**

Economic operators should put measures in place to prevent potential negative impacts of their own activities on the surrounding areas and the local community.

Water conservation measures should be in place, including but not limited to water recycling and reuse practices that encourage improvements in the mechanical, chemical or physical processing of collected metals, to use less water per unit of output.

In areas with water shortage issues, economic operators should not contribute to water depletion, i.e. withdrawal of water beyond the replenishment capacity of the water basin, catchment areas, river or watershed.

**Supporting Mechanisms**

- **Government and local authorities** in collaboration with universities, research institutes and civil society organisations, should evaluate the state of air, water and land resources within their jurisdiction, and make this information available to economic operators. Training programmes on air, water and land conservation, as well as recommendation for improved practices and monitoring tools, should be proposed to economic operators.

- **Government and local authorities** should build and maintain sewage and water treatment systems to ensure that industrial operations do not contaminate local water resources. Such system should be made available to economic operators at a reasonable cost.

- **Government and local authorities** should put a system in place, whereby industrial waste and chemicals are safely collected, stored, disposed of and/or recycled. Such systems should be made
Wastewater treatment should be in place, either through the municipal water treatment system (sewage) or the economic operator shall be able to demonstrate it is being appropriately treated through an alternative process.

Economic operators should not pollute air, land, surface water, ground water or other water sources. Any chemicals or wastes are stored in safe environment following manufacturer’s instructions. No evidence of water or land pollution is found on site or downstream. Disposal of waste and chemicals is handled without damaging air, land or water resources.

The need for required resources auxiliaries including natural resources such as water land and energy should be minimized.

Worst practices identified in 4.1 such as open-air burning of waste material should be avoided, metal in i.e. e-waste should be separated from plastics parts by means of manual or mechanical separation; if technologies available, wastes could be burnt in dedicated incinerators, kilns or furnaces and exhaust gases controlled to avoid any damage to human health or environment.

Monitoring
Economic operators should put measures in place to monitor identified risks under their current activities.

Suggested steps
- Identify potential environmental risks and current impacts of their own activities on the surrounding areas and on the local community.
- Prepare a water flow and land use needs and identify main issues of concern.
- Identify any polluting substances/mechanisms that might contaminate the water/land/air resources. This concerns air emissions and leakages from the operations, service areas and bad practices such as dumping of hazardous and non-hazardous waste; wastewater and chemicals in watersheds and soils.
- Implement water conservation and protection measures.
- Implement waste water treatment solutions. No polluting chemicals/toxics should be dumped into fresh sources of water.
- Implement practical measures to avoid air pollution (such as mechanical and chemical filters)
- Implement measures to avoid land pollution (such as improved waste management practices, leakages’ control, soils protection by means of geotextiles).
- Provide training to workers concerned with the implementation.
- Develop a system to monitor the results of improvement measures implemented.

Objective 3.3
Restore severely damaged areas due to previous and current metal recovery operations and demand the restoration caused by previous third parties’ activities.

Application Scope
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process
**Involved Stakeholders**

- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

<table>
<thead>
<tr>
<th>Explanatory Notes</th>
<th>Supporting Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
<td><strong>Civil society organisations and research institutes</strong> should provide expertise to support economic operators with the development and implementation of effective restoration measures.</td>
</tr>
<tr>
<td>Economic operators should evaluate, in consultation with local communities and civil society organisations, whether operations and third parties’ activities ran prior to their implementation of the Guidance Principles led to the severe degradation of natural or protected areas. Severe degradations include:</td>
<td><strong>Government and local authorities and civil society organisations</strong> should provide support and, if possible, resources to restore inherited areas with severe damages.</td>
</tr>
<tr>
<td>• Change in ecological status (e.g. conversion from forest to industrial area);</td>
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<td>• Chronic pollution eutrophication of water streams or water table;</td>
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<tr>
<td>• Soil degradation (e.g. compaction, erosion)</td>
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<tr>
<td><strong>Restoration measures</strong></td>
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<tr>
<td>Whenever it is established that the economic operator is responsible for severe degradations, measures should be implemented to restore severely degraded areas to a situation as close as possible to their initial state.</td>
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<tr>
<td>If areas have been severely damaged by previous third parties’ activities, the economic operators in consultation with the local community should demand the Government and local authorities for the restauration of the concerned areas and seek for support and resources from other organisations (e.g. industrial associations, international agencies for cooperation, local universities) to implement this measure.</td>
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</table>

| Suggested steps | |
|-----------------| |
| - Identify areas damaged within the site of the operations and in the surroundings and the sources of the damage. | |
| - In consultation with the local community identify environmental risks or negative impacts on their population and options for mitigation and remediation. | |
| - If the economic operator is responsible for the damaged areas, implement effective restoration measures. | |
| - If the economic operator is not responsible for the damaged areas but former third parties’ activities, actively seek for support and resources to restore the areas concerned within the operations site and in the surroundings. | |
| - Provide training to workers concerned with the implementation activities. | |
| - Develop a system to monitor the results of improvement measures implemented. | |
# PRINCIPLE 4 – Improving recovery of secondary metals

## Objective 4.1
Develop, implement and promote technologies and strategies to increase secondary metal recovery related to quantity and quality.

### Application Scope
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

### Involved Stakeholders
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

### Explanatory Notes

#### Baseline and monitoring
Economic operators should document material flows generated from their operational processes and aim over time to maintain or increase the quality of secondary metal recovered.

#### Improvement practices
Economic operators should identify improved practices based on the following criteria: recovered metal amount and quality, output criteria, cost- and resource efficiency and minimization of emissions.

Economic operators should avoid worst practices (e.g. open burning, amalgamation) and gradually implement improvements in their activities.

### Supporting Mechanisms

**Governments and local authorities** should support the development of a monitoring system to understand material flow in metals and their by-products and residues.

**Governments** should invest in science, technology and innovation to facilitate improved technologies for disassembly and recycling efficiency.

**Governments** should develop financial incentives to promote optimal recovery of metals. This could include “primary resource taxes” to incentivise recycling of secondary metals. Tax revenue to be ring-fenced and made available to fund technical assistance and capacity building and to support research and development in technological innovations.

### Suggested steps

- Identify worst practices related to severe environmental and health impacts and legal non-compliance.
- Identify and assess areas of technological improvements.
- Select the priority improvements in line with the overall vision, aim and scope of the sustainable management approach setup.
- Provide training to workers concerned with the implementation.
- Implement the improvements selected according to an agreed plan.
- Monitor the results based on the criteria established.
- Create a platform for economic operators with the aim to promote the exchange of experiences.

## PRINCIPLE 5 – Implementing a sustainable management approach

### Objective 5.1
Document and evaluate the existing baseline conditions of secondary metal operations in the four areas addressed by Principles 1 through 4.

### Application Scope:
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

### Involved Stakeholders:
- Official Business Activities (OBA)

<table>
<thead>
<tr>
<th>Explanatory Notes</th>
<th>Supporting Mechanisms</th>
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</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
<td>As part of the development of a management plan, governments and local authorities should provide support (e.g. training, tools and specialist assistance) to the economic operators performing a risk evaluation, monitoring and mitigation of risks to the environment and local communities.</td>
</tr>
<tr>
<td>Baseline conditions describe the initial level of performance and, for some indicators and parameters, compliance of the economic operator. Appropriate to the size and intensity of operations, the baseline conditions should be established through an assessment of operations against the Guidance Principles and Objectives. A self-assessment is also possible. The baseline conditions should provide an assessment about the status of: health and safety conditions (Obj. 1.1), contractual agreements (Obj. 1.2), child labour, forced labour, harassing and discriminatory practices (Obj. 1.3), existing workers unions or associations (Obj. 1.4), internal and external communications (Obj. 1.5 and 2.3), community relationships (Obj. 2.1), proper inclusion of workers (Obj. 2.2), impacts of ecosystems and biodiversity (Obj. 3.1), impacts on an use of natural resources (Obj. 3.2), severely damaged areas (Obj. 3.3), technologies used (Obj. 4.1), organisational capacity and training needs (Obj. 5.3), legal compliance (Obj. 5.4) and corruption risks (Obj. 5.5). The baseline should also include the definition of scope, vision, objectives of the economic operator, legal compliance, technical capacity and equipment and facilities available, and roles of responsibilities of stakeholders along the value chain. Details on the baselines are provided under each objective. The identification of negative and positive impacts of secondary metal operations on the environment and local communities can be done either through an Environmental and Social Impact Assessment (existing operations) or a Risk Assessment (new operations or expansion of existing operations).</td>
<td></td>
</tr>
<tr>
<td><strong>Documentation and communication</strong></td>
<td>Civil society organisations and specialists should support economic operators towards a better understanding the Guidance Principles, objectives and how to assess secondary metal operations against them. Governments and local authorities should provide support for the conduction of environmental and social impact assessment and risk assessments, for example:</td>
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<td>- by maintaining a list of environmental/social experts able to in an impact assessment;</td>
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<tr>
<td></td>
<td>- by making environmental and social resources and statistics (e.g. maps of protected areas,</td>
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</tbody>
</table>
The baseline conditions should be documented and a summary made publicly available, within the limits of non-confidential or business-sensitive information. The full version should be made available to workers. It should:

- by developing financial incentives measures (e.g. tax exemption) to offset the cost of the environmental and social impact assessment;
- by publishing the results of environmental and social impact assessments, within the limits of commercial confidentiality.

Governments and local authorities, in collaboration with universities, research institutes and civil society organisations, should maintain maps, inventories and land records to support enterprises with the evaluation of past and present land-uses and land-use changes.

Governments and local authorities, in collaboration with universities, research institutes and civil society organisations, should support the evaluation, inventory and mapping of existing ecosystem services. Programmes should be developed to support enterprises with the preservation of ecosystem services.

<table>
<thead>
<tr>
<th>Suggested steps</th>
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<tbody>
<tr>
<td>- Develop a baseline report.</td>
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<tr>
<td>- Document and keep records for a period of 3 years, at least.</td>
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<tr>
<td>- Develop an executive summary of the baseline report.</td>
</tr>
<tr>
<td>- Communicate the executive summary broadly.</td>
</tr>
<tr>
<td>- Communicate the full version with the workers.</td>
</tr>
<tr>
<td>- Provide training to workers to enhance their understanding on their role in improving the performance according to the results of the baseline report.</td>
</tr>
<tr>
<td>- Monitor the baseline results regularly considering different periods for different indicators (e.g. some indicators will require annual others bimonthly monitoring).</td>
</tr>
</tbody>
</table>

**Objective 5.2**

Develop, implement, and monitor to continuously improve a management plan that aims to mitigate negative impacts and strengthen positive impacts of secondary metal operations.

**Application Scope:**

- Collection (waste that contains metals)
- Pre-treatment
Metallurgical process

**Involved Stakeholders:**
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)

### Explanatory Notes

#### Scope of the management plan

Based on the baseline results, economic operators should develop, implement, regularly review and update a management plan, which includes:

- The setup of a coordinating group or focal point to lead the development and implementation of the management plan;
- The identification of priority areas related to principles 1-4 to be improved based on the criticality of the issues identified (e.g. non compliances with the law require immediate reaction), strategic decisions and resources available.
- Measures to be implemented by the economic operator, including the timeline and responsible persons within the operation;
- A feedback mechanism for stakeholders towards the improvement of the management plan;
- A monitoring mechanism to measure progress and continuously improve the management plan to achieve compliance with the Guidance Principles.

The management plan should be developed according to ISO 14001:2015. Risk assessments should be conducted according to ISO 31000:2009.

#### New operations, closure, decommissioning and restoration

New operations or expansion of existing ones include any situation where infrastructure building or a modification of the production processes is required.

The management plan should cover how operators undertake closure of an operation, decommissioning and/or restoration plan is in place, and financial provisions to implement the site(s) closure, decommissioning and restoration plan are set aside.

### Training

Workers should be aware of the management plan and receive training on how to implement the specific tasks.

### Monitoring

Management plans should be monitored, reviewed and revised on a regular basis.

#### Corrective actions

Following regular reviews of the system, deviations identified should lead to corrective actions.

### Supporting Mechanisms

**Governments and local authorities** should provide support to economic operators with the implementation of management plans, e.g. by providing training, capacity building, tools and advice from experts on:

- Human resources
- Environmental impacts
- Social impacts

Emergencies (fire, explosion, accidents and natural disasters).
Suggested steps

- Designation of a coordinating group or focal point to lead the development and implementation of the management plan.
- Identification of areas that require attention, if needed, in consultation with concerned stakeholders (e.g. with workers when related to health and safety issues, etc.).
- Identification of measures on the areas identified including responsible persons, resources needed and timelines to be respected.
- Implement training programs to all involved stakeholders.
- Implement the management plan as well as the monitoring system and corrective actions in continued cycles.
- Setup a feedback mechanism towards the improvement of the management plan.

Objective 5.3
Strengthen the organisational capacity of economic operators involved in secondary metal operations.

Application Scope:
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

Involved Stakeholders:
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

Explanatory Notes

**Progress towards Official Business Activities (OBA)**

Economic operators engaged in Subsistence Activities (SA) or Unofficial Business Activities (UBA) should aim to progress towards Official Business Activities (OBA).

Economic operators engaged in Subsistence Activities (SA) may create or join associations or cooperatives, through which they may obtain a legal status and be able to reach compliance with the Guidance Principles.

Economic operators engaged in Unofficial Business Activities (UBA) should apply for legal registration.

Supporting Mechanisms

Governments and local authorities should put measures in place to support the recognition of individual workers and/or families working under structures with no legal status.

Civil society organisations should support groups of workers with the creation and management of associations and cooperatives.

Suggested steps

- Identify the legal aspects in the country for legal registration as well as challenges, needs and advantages for Subsistence Activities (SA) and Unofficial Business Activities (UBA).
- Organise training activities on organisational aspects and options to strengthen the organisation.
- Assess potential pathways as well as resources required towards the legal registration of the activities including immediate, short and mid-term steps.
- Gradually implement the actions needed to make progress towards OBA and monitor the evolution over time.
### Objective 5.4
Implement measures to ensure compliance with local and/or national laws, rules and regulations.

**Application Scope**
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

**Explanatory Notes** | **Supporting Mechanisms**
---|---
**Regulatory compliance**
Economic operators shall respect all applicable laws and administrative requirements of the country in which they occur, and international treaties and agreements to which the country is a signatory. | Governments and local authorities should put measures in place to support economic operators towards legal compliance, appropriate to the size and intensity of operations.

**Suggested steps**
- Assess compliance of legal and administrative requirements, as well as of recommendations (non-legally binding).
- In case of non-compliances, determine the severity (major or minor non-compliance) in order to determine the priority corrective actions and allocate corresponding resources.
- Develop an action plan to achieve the compliance of all legal and administrative requirements.
- In case of non-legally binding requirements, evaluate how their compliance could support the continual improvement of the system and the activities of the economic operator and develop a plan to achieve compliance.
- Monitor the evolution of non-compliances cases (closure of old and the emergence of new ones) over time.

### Objective 5.5
Implement measures to eliminate bribery and corruption.

**Application Scope**
- Collection (waste that contains metals)
- Pre-treatment
- Metallurgical process

**Involved Stakeholders**
- Official Business Activities (OBA)
- Unofficial Business Activities (UBA)
- Subsistence Activities (SA)

**Explanatory Notes** | **Supporting Mechanisms**
---|---
**Non-participation** | Governments and local authorities should develop and enforce strong anti-corruption measures.
Economic operators should combat bribery and corruption in all its forms. Economic operators should not directly or indirectly offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business.

**Prevention**

Economic operators should develop and adopt adequate internal controls to prevent and detect bribery and corruption including a system of financial and accounting procedures that are regularly monitored and assessed. (Adapted from 2011 OECD Guidelines for Multinational Enterprises).

**Civil society organisations** should support governments and local authorities with the implementation of anti-corruption policies, e.g. by publicly reporting bribery and corruption cases.

**Suggested steps**

- Assess potential risks of corruption and bribery and identify the most vulnerable areas within the scope of activities of the economic operators.
- Organise awareness raising activities to enforce non-participation and prevention of bribery and corruption practices. Provide the workers with tools to identify the concerned cases and how to denounce them as well as clear explanations on legal consequences for involved persons.
- Avoid economic relationships with other economic operators that are or might be related to bribery and/or corruption.
- Monitor the number of corruption and bribery cases identified and assess the evolution over time.
5. Section 2: Assurance and Traceability

5.1 Introduction

This section of the Guidance Principles provides recommendations for assurance, and traceability systems to support the effective and efficient implementation of the Guidance Principles for Sustainable Management of Secondary Metals. To be successful, the Guidance Principles and its assurance system will need to be implemented by different stakeholders along different pathways, for example:

- Economic operators (e.g. waste collectors, metal processors, product manufacturers) in the secondary metal value chain to improve their practices and sustainability performance;
- Governments and regulators to design laws and policies that guarantee that the environmental and social impacts of secondary metal value chain are acceptable;
- Governments and companies working in public-private partnerships to deliver related sustainability and development outcomes;
- Civil society organisations (individually and in partnerships or alliances) to provide capacity building, training, technical assistance and awareness raising to engage and support local communities;
- Standard-setting organisations and certification systems willing to adopt principles for sustainable secondary metal recycling in an existing standard.

This section's purpose is, however, not to duplicate more existing guidance, nor set out in detail on how to develop a comprehensive assurance system or other such processes documented elsewhere, such as in sustainability standards.

Part 5.3 offers suggested mechanisms for assurance and Part 5.4 elements of traceability (chain of custody), which aim to benefit economic operators and other stakeholders implementing the Guidance Principles through the use of substantiated and verifiable claims.

5.2 Stepwise approach towards compliance with the Guidance Principles

5.2.1 Stepwise approach towards full compliance

Economic operators in the secondary metal value chain who are interested in compliance with the Guidance Principles should aim to comply with all applicable principles and objectives through an assurance system. However, the Guidance Principles do not prescribe a 'one size fits all' approach to assurance. The pathway towards full compliance should be appropriate to the capacity of each type of economic operators and their specific socio-economic context in a ‘stepwise approach’. A stepwise approach divides the tasks into a series of manageable phases or steps.

The target beneficiaries of the implementation of the Guidance Principles are those economic operators involved in Subsistence Activities (SA).

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7 See also Section 1.3.
5.2.1.1 Economic operators involved in Subsistence Activities (SA):

The objectives for economic operators involved in Subsistence Activities (SA) should be to:

- **Short term (Year 0):** Identify practices with most damaging impacts on the environment and/or the health or safety of workers, in consultation with workers; improve working conditions to reduce impacts on health and ensure a continuous revenue stream through partnerships with metal recycling industries and metal processors. In addition, eliminate practices with negative impacts on the environment (e.g. disposal of chemicals into rivers or groundwater, release of toxic gases in the air);

- **Medium term (Year 3):** if agreed by affected workers under Subsistence Activities (SA), to organise workers in cooperatives, associations, micro or small enterprises, which would give them a collective status of Official Business Activities (OBA) in the context of these Guidance Principles. This would strengthen the organisational setting with the aim to move towards the sustainable management of secondary metals; also, the created cooperatives, associations, micro- or small enterprise should identify areas of non-compliance with local, national and regional environmental laws and regulations by their members and implement corrective actions to bring each of them into compliance.

- **Long term (Year 5):** Individually reach full compliance with the Guidance Principles.

5.2.1.2 Economic operators involved in Unofficial Business Activities (UBA):

Economic operators involved in Unofficial Business Activities (UBA) should aim to become formally registered enterprises which means they would be Official Business Activities (OBA).

5.2.1.3 Economic operators involved in Official Business Activities (OBA):

Economic operators involved in Official Business Activities (OBA) should put environmental and social due diligence in place (See 5.3.1.4) to guarantee that the Guidance Principles are implemented by their suppliers and support economic operators involved in Subsistence Activities (SA) towards compliance. The suggested path towards full compliance is described in Table 1.

<table>
<thead>
<tr>
<th>Operation Type</th>
<th>Timeline (Target)</th>
<th>Level of compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsistence Activities (SA)</td>
<td>Year 0</td>
<td>Awareness of Guidance Principles</td>
</tr>
<tr>
<td></td>
<td>Year 3</td>
<td>Participation in cooperative/association/micro &amp; small enterprises.</td>
</tr>
<tr>
<td>Year</td>
<td>Compliance Level</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Year 5</td>
<td>Full compliance at cooperative / association / enterprise level</td>
<td></td>
</tr>
<tr>
<td>Year 3</td>
<td>Legal registration. Full compliance</td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>Partial compliance (50%)</td>
<td></td>
</tr>
</tbody>
</table>

**Table 1: Stepwise approach towards compliance**

### 5.2.2 Supporting Mechanisms

National and local governments, Civil Society Organisations and sustainability standard organisations should support the implementation of the Guidance Principles through the following mechanisms:

- Promote the Guidance Principles;
- Awareness raising of health and working conditions issues;
- Provision of training, capacity building and technical assistance to economic operators;
- Financial support towards improved management and production practices;
- Design and development of policies and programmes for Extended Producer Responsibility and/or due diligence;
- Develop and monitor product claims credibility and legislation;
- Verification of compliance through continuous monitoring (e.g. public complaint system, self-reporting by economic operators, site visits).

### 5.3 Assurance Systems and Framework

Assurance means that a given economic operator can demonstrate that the specific requirements of the Guidance Principles have been fulfilled. Assurance is key to the credible implementation of the Guidance Principles. In general, three different types of assurance systems exist, allowing for different levels of robustness and affordability. They are (as described in detail below) third-party, second-party and first-party (self-assessment) verification system (audits). Additional means of assurance included in this section are social and environmental due diligence, extended producer responsibility and monitoring by governments and non-governmental organisations. Section 5.3.2 suggests a pathway and framework towards the implementation of third-party verification.

#### 5.3.1 Assurance Systems

**5.3.1.1 Third-party audits**

Third-party audits are performed by an independent organisation (i.e. assurance providers such as certification bodies), which will assess whether the operator fulfils the Principles and objectives it committed to comply with. Third-party audits are generally accepted as the most robust assurance systems, but they come with a number of limitations in the context of the Guidance Principles, including:
Third-party audits are based on standards, which would require developing a full set of criteria and compliance indicators, based on the Guidance Principles;

- Such processes would require putting in place an oversight mechanism for the training, evaluation and monitoring of verifiers/auditors;

- Such processes would not be affordable to economic operators involved in Subsistence Activities (SA) due to compliance, auditing and licensing costs, unless they are grouped into a cooperative or an association, or are horizontally integrated in the verification scope of a larger economic operator (e.g. a large metal collector including waste collectors in its verification scope);

- Such processes require a contractual agreement with an auditor, which is not possible with Subsistence Activities (SA) or Unofficial Business Activities (UBA) as operators, except in similar conditions as described in the point above.

As a prerequisite to the implementation of a third-party audit process, it would be necessary to transpose the Guidance Principles into a standard, or to integrate them into an existing standard or certification system. Third-party audits are based on a combination of desk-based verifications (documentation checks) and on-site verifications (field checks). Upon successful completion of a third-party audit, the verifier/auditor will issue a certificate of compliance to the economic operator, which is then allowed to produce off-product and on-product claims limited to the certification scope. Third-party auditors and certification bodies shall be trained, accredited and monitored by the implementation body or an independent organism to prevent conflicts of interest and ensure consistency in verification of compliance with the Guidance Principles.

5.3.1.2 Second-party audits

Second-party audits are conducted by another economic operator such as purchasers or users of products, or potential customers seeking to verify a supplier’s management system or product’s conformity in relation to:

- Technical characteristics of a product;
- Quality;
- Environmental/social/labour performance;
- Management system; and/or
- Traceability.

Second-party audits and associated claims are generally seen as less robust than third-party audits, due to potential conflicts of interest between an economic operator and its suppliers. However, second-party audits are more affordable and imply less administrative work than third-party audits. They could be used as part of a due diligence process (see below), including when applied to economic operators involved in Subsistence Activities (SA).

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8 Off-product claims are made in general communications (e.g. annual reports, marketing documents, etc.).

9 On-product claims are attached to a specific batch of physical product as guarantee that the content is compliant.

5.3.1.3 First-party audits (self-assessment)

First-party audits are internal verification processes whereby a worker of a company or an external - individual or organisation assesses the company’s compliance with a given policy. Internal audits may be performed in preparation of third-party audits in order to assess the economic operator’s chances of success in a certification process. First-party audits are generally easier to put in place, as the sample of interviewed people and processes tend to be smaller, which reduces the administrative burden (e.g. non-disclosure agreements, contracts, rigid audit schedule) and therefore the verification costs. Consequently, first-party audits and associated compliance claims are also considered less comprehensive and could be in some cases less robust as they are not performed by independent verifiers. Despite these drawbacks, first-party audit (self-assessment) seems appropriate for economic operators involved in Subsistence Activities (SA) and give them a baseline from which to improve.

In the case of Subsistence Activities (e.g. collection of waste that contains metals), a first-party audit is understood as a self-assessment against the Guidance Principles.

5.3.1.4 Social and environmental due diligence

Economic operators involved in Official Business Activities (OBA) may undertake due diligence processes covering all major areas of business ethics, notably labour, human rights, anti-corruption, the environment, community relationships, tax and competition.

In the absence of an independent third-party audit system, users of secondary metals (manufacturers, international recyclers, retailers, importers) should ensure that their subcontractors, suppliers and B2B partners work to continuously improve their practices to reach full compliance with the Guidance Principles. Second-party audits might be performed to verify the progress of e.g. suppliers, contractors and subcontractors towards compliance and provide the adequate support to economic operators involved in Subsistence Activities (SA).

Upon verification of compliance of e.g. suppliers, contractors and subcontractors with the Guidance Principles, consumers of recovered metals (manufacturers, international recyclers, retailers, importers) shall issue official documentation, to be attached to outgoing products, which confirms that the metals included in a given batch of products were produced in accordance with the Guidance Principles. Such note should only apply to an amount of metals corresponding to the products delivered by suppliers verified by the economic operators involved in metallurgical processes and international recycling industries through due diligence (See Figure 4).

Due diligence is a powerful instrument to help enforce the Guidance Principles, as it provides market incentives when, for example, a company requests its suppliers to abide by the GPs. However, due diligence can only be extended to a limited number of value chain actors, within the reach of the company applying due diligence (See Figure 4).

In Annex B, guidance on how to conduct socio-economic and environmental due diligence processes is provided, based on the OECD guidelines (2013)\textsuperscript{11}, UN Guiding

\textsuperscript{11} Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. OECD; 2013. Available at:
Principles on Business and Human Rights (2011)\textsuperscript{12} and other recognised international sources (See Annex B).

5.3.1.5 Extended Producer Responsibility

Extended Producer Responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product or material is extended to the post-consumer stage of its life cycle. It shifts the responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities/states; it provides incentives to producers to take into account environmental considerations when designing products. The Organisation for Economic Cooperation and Development (OECD) published a set of guidelines for governments willing to implement EPR policies.\textsuperscript{13}

In the context of the Guidance Principles, implementation of EPR policies by governments and/or economic operators should aim to ensure the following:

\begin{itemize}
  \item Reduce the amount of waste generated for each product;
  \item Increase the rate of recycling for metals and other valuable materials by facilitating their extraction through product design;
  \item Reduce the amount of hazardous processes and substances in products containing metals; and
  \item Provide guidance for safe recycling and disposal of metals by either the product manufacturer itself or another stakeholder in the secondary metal value chain.
\end{itemize}

EPR policies should be applied to manufacturers of products that contain metals and are responsible for taking back waste that contains metals or ensuring that waste that contains metals is collected, pre-treated and processed\textsuperscript{14} in compliance with the legal objectives of the Guidance Principles. The effective application of EPR is intrinsically linked to the existence of a coherent regulatory framework, which ensures that EPR is properly applied by economic operators.\textsuperscript{15}

5.3.1.6 Monitoring by governments and non-governmental organisations

In the absence of a third-party audit system, governments and CSOs should monitor economic operators who claim to implement the Guidance Principles and/or to acquire secondary metals produced according to the Guidance Principles, with the following objectives:

\begin{itemize}
  \item Promote the implementation of the Guidance Principles;
\end{itemize}

\begin{itemize}
  \item \textsuperscript{14} See also Figure 4.
  \item \textsuperscript{15} Note: Extended Buyer Responsibility is a complementary policy approach that applies to consumers of recovered metals (manufacturers, international recyclers, retailers, importers) who should be responsible of ensuring that materials are recovered by following the Guidance Principles.
\end{itemize}
– Ensure that enterprises involved in the implementation of the Guidance Principles have a mechanism for continuous improvement and ultimately achieve compliance with the Guidance Principles;

– Verify the accuracy of public claims in relation to compliance with the Guidance Principles.

Governments, CSOs and the public should report any inappropriate use or making false claims in relation to the Guidance Principles to a coordinating organisation (yet to be set up). The coordinating organisation reserves the right to publish statements to protect the credibility and integrity of the Guidance Principles and request corrective actions to enterprises involved in inappropriate or false claims.

Monitoring by governments, CSOs and others and subsequent publication of results can be a powerful incentive to drive changes in secondary metal value chain. However, it is limited by the absence of contractual relation with economic operators, which prevent full access to information and relevant data.

5.3.2 Recommended approaches to assurance for the Guidance Principles – Short term

The ultimate objective should be for the Guidance Principles to be implemented through a robust assurance scheme involving independent third-party verification audits. However, at this early stage of development alternative assurance mechanisms are recommended, as below.

In the short term, compliance with the Guidance Principles should be verified through a combination of first-party audit (self-assessment), due diligence (second-party audit), Extended Producer Responsibility (EPR) policy and monitoring by governments and CSOs.

1) **First-party audits (self-assessments)** should be performed by secondary metal collectors and metal processors in Subsistence Activities (SA), Unofficial Business Activities (UBA) and Official Business Activities (OBA). Existing gaps in compliance should be fully documented and corrective actions put in place towards full compliance by the audited economic operator. Guidance on self-assessment will be developed by the SRI Roundtable Secretariat upon publication of these Guidance Principles. All results from the self-assessment and corrective actions should be regularly communicated to the coordinating organisation;

2) **Second-party audits (environmental and social due diligence)** should be performed by metallurgical processors (e.g. smelters) and international recycling industries among their suppliers. Due diligence may be performed directly among economic operators involved in Official Business Activities (OBA), Unofficial Business Activities (UBA) or formal cooperatives/associations of economic operators involved in Subsistence Activities (SA). Due diligence among SA or UBA economic operators, who are not part of a formal cooperative/association may be performed indirectly through a local partner organisation. Due diligence would ensure that an increasing amount (continuous improvement) of supplied secondary metals are recovered/produced according to the intent of the Guidance Principles. Metal processors should request self-assessments from metal collectors and
organise second-party audits using an established sampling basis.\textsuperscript{16} Existing gaps towards compliance should be fully documented and corrective actions put in place by the audited activity towards full compliance. All due diligence results and corrective actions should be regularly communicated to the coordinating organisation;

3) **Extended Producer Responsibility** should apply to the manufacturers/producers of products which contain metals (Official Business Activities). Manufacturers should put systems in place to ensure that end-of-life products are adequately recycled or disposed of and should publish reports to demonstrate that EPR is efficiently implemented. Corrective actions should be put in place whenever appropriate. All reports should be regularly communicated to the coordinating organisation. Raised EPR funds should be ring-fenced and service providers authorised with the recycling and/or disposal of products that contain metals should be paid directly by the obliged party and based on evidence after treatment/disposal takes place;

4) **Monitoring** of compliance and associated claims in relation to the Guidance Principles should be ensured by governments and civil society organisations. Inappropriate uses or misrepresentation should be reported to the SRI Secretariat or the coordinating organisation, which should take action to support economic operators towards full compliance and preserve the credibility of the Guidance Principles.

**Making Sustainability Claims about Guidance Principles Compliance (Short Term)**

A sustainability claim is a message used to set apart and promote a product, process, business or service with reference to one or more of the three pillars of sustainability: social, environmental and/or economic.\textsuperscript{17}

It is envisaged that only marketing claims concerning the intent or mission of the Guidance Principles will be allowed under the Short Term Assurance Framework. These claims will be off-product and will be for marketing purposes only e.g. corporate commitment claims such as “Company X plans to source X% by 2025” general website claims; or general advertising. Claims concerning the Guidance Principles will be controlled by a claims control mechanism, and a User Guide (e.g. guidelines, membership claims) is to be developed by the SRI Roundtable Secretariat upon publication of the Guidance Principles.

5.3.3 **Recommended approaches to assurance for the Guidance Principles – Long term**

In the long term, the Guidance Principles should be implemented using a robust assurance scheme involving third-party audits, leading to the certification of all economic operators in the secondary metal value chain. This could be achieved through different approaches, including but not limited to:

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\textsuperscript{16} Sampling regimes should be developed in line with ISEAL Alliance Assurance Code. Available at: www.isealalliance.org/our-work/defining-credibility/codes-of-good-practice/assurance-code

\textsuperscript{17} ISEAL Alliance Sustainability Claims Good Practice Guide. Version 1.0 - May 2015. Available at: www.isealalliance.org/online-community/resources/iseal-sustainability-claims-good-practice-guide
The transposition of the Guidance Principles into a sustainability standard and the development of a stand-alone audit process, with appropriate accreditation of auditors and assurance providers, following ISEAL Alliance and ISO 17065;

The integration of the Guidance Principles into an existing sustainability standard/certification system.

The implementation of an independent third-party audit, whether as a stand-alone verification system or integrated in an existing verification system, will allow the development of a credible traceability (Chain of Custody) system (See part 5.4), which offers a guarantee that the secondary metals included in products were produced in accordance with the Guidance Principles.

Figure 4: Short and long term approaches to assurance

Figure 4 describes how the suggested assurance mechanisms would cover the entire secondary metal value chain:

- Due diligence (see red arrow Figure 4 below) should be implemented by international recycling industries and metallurgical processors (Official Business Activities) over economic operators (SA, UBA and OBA) involved in pre-treatment and collection of waste that contain metals;
Extended producer responsibility (green arrow) of product manufacturers (OBA) should extend down to the collection of waste that contain metals (SA, UBA and OBA);
- The eventual implementation of a third-party value chain certification would require all economic operators to undergo a third-party audit, thus covering the entire secondary metal value chain.

5.4 Traceability (Chain of Custody)

Economic operators in secondary metal value chains acquiring processing and/or delivering secondary metals produced following the Guidance Principles may obtain benefits in return, including:

- Legal compliance - applicable regulation may require that recycled metals fulfil environmental and social criteria in line with the Guidance Principles;
- Improved access to finance, low-interest loans and credit, following the increasing exigencies from financial institutions;
- Improved market access and securing longer term contracts- B2B and B2C customers may give preferential treatment to enterprises providing Guidance Principles compliant material and products;
- Improved and more transparent value chain management;
- More effective management of reputational risk;
- Corporate Responsibility - Implementing the Guidance Principles can demonstrate genuine commitment to sustainability and publicise the economic operator’s approach to respecting human rights;
- Subsidies, tax exemptions and other fiscal advantages;

A credible traceability system is required to guarantee to product manufacturers that claims in relation to the Guidance Principles are substantiated and verifiable. It is particularly important to guarantee that the Guidance Principles were implemented at all steps preceding the end-product. Without such guarantee, no credible claim could be associated to the end-product. In the case of individuals involved in Subsistence Activities (SA), it is envisaged that they will go through a "Transition Phase". This would mean they would need to meet a minimum set of requirements over a specified period of time to allow them to comply with the Guidance Principles entry level system (e.g. mass balance) Chain of Custody system (see 5.2).

However, the implementation of a chain of custody system requires that a robust assurance process is in place (See Part 5.3), which ensures that the sustainability characteristics of secondary metals were verified and validated by an independent third-party (e.g. auditor). Such characteristics should be documented and attached to consignments of metals delivered by the economic operator.

Due to their strengthened organisational setting, it is advised that only economic operators involved in Official Business Activities (OBA) and in Subsistence Activities (SA) organised as cooperatives/associations/micro or small enterprises implement the chain of custody requirements.

In absence of a third-party verification system, no chain of custody system should be implemented, therefore limiting claims of compliance. The coordinating organisation (to be set up) will consider providing appropriate guidance to economic operators with regards to off-product and on-product claims of compliance.
5.4.1 General requirements – Chain of custody

The objective of a chain of custody policy is to distinguish secondary metals with demonstrated origin and compliance with the Principles from secondary metals of unknown origin and/or primary metals.

Economic operators shall develop and publish a chain of custody policy and procedures in line with at least one of the following three models:

1. Physical segregation. Consignments of waste that contain metals, or secondary metals with demonstrated origin and compliance with the Guidance Principles are kept physically separated from other waste consignments, secondary metals of unknown origin and primary metals.

2. Mass balance. Consignments of waste that contain metals, or secondary metals with demonstrated origin and compliance with the Guidance Principles are physically mixed with other waste consignments, secondary metals of unknown origin and primary metals. Documentation and records of material entering an operation ensures that the amount of outgoing Guidance Principles-compliant secondary metals does not exceed the amount of incoming Guidance Principles-compliant material, taking conversion factors or other calculation methodologies into consideration.

3. Book and claim. Economic operators in compliance with the Guidance Principles may create certificates and trade them on a dedicated platform. Product manufacturers using secondary metals may buy such certificates and the claims of compliance with the Guidance Principles associated to it.

Sustainability standards organisations in conformance with the ISEAL Alliance Assurance Code may consider the assurance requirements under the Guidance Principles fulfilled.

5.4.2 Staff

A dedicated chain of custody (CoC) manager should be appointed. The appointed manager should be responsible for the correct implementation of CoC policies.

Staff involved in the acquisition, processing and delivery of compliant (i.e. produced according to the Guidance Principles) waste that contains metals or secondary metals should be adequately trained and monitored by the CoC manager.

5.4.3 Documentation and records

Any economic operator acquiring, processing or delivering batches of compliant waste that contains metals, material that bears metals or secondary metals should document and record important characteristics, including but not limited to:

1) Name and address of supplier;
2) Reference number
3) Date of receipt of goods/Date of release/shipment of goods
4) Origin (address) of batch; Shipment address
5) Nature or state of metal/material that bears metal;
6) Weight;
7) Proof of compliance with Principles established by a third-party organisation (e.g. assurance provider);
8) Name and address of the third-party organisation (e.g. assurance provider);
9) Name and address of any contractor, sub-contractor involved in the acquisition, processing and delivery of the batch or products.

Recorded material without appropriate documentation should be considered to be of unknown and uncontrolled origin and therefore not in compliance with the Guidance Principles.
6. Governance

The ownership of the Guidance Principles lays with the International Organization for Standardization (ISO) which will support with the international dissemination of the Guidance Principles and ensure free access of the Guidance Principles document.

Pending sufficient resources, a Coordinating Organisation should be set up by the SRI Roundtable in partnership with the World Resource Forum to serve as focal point and support with (a) the promotion and monitoring the robust and transparent implementation of the Guidance Principles and (b) related communication tasks as well as with the (c) facilitation of decision-making processes, (d) revision (see 6.3) and (e) geographic and/or metal specific adaptations.

6.1 Responsibilities of the Coordinating Organisation

Following specific activities are as follows:

- Promote the vision, overall aim and awareness of the Guidance Principles;
- Support the implementation of the Guidance Principles by economic operators, governments and others and recognise the contributions of key country partners;
- Coordinate support to the different economic operators (especially those involved in Subsistence Activities) to perform self-assessments, due diligence reports, EPR reports and monitoring activities;
- Facilitate transparency, accessibility and balanced decision-making in any decision related to the Principles (e.g. see 6.2);
- Engage in partnerships with other key initiatives, in particular to support the integration of the Guidance Principles by sustainability standards and/or certification systems;
- Support the development assurance mechanisms and facilitate the availability of tools and information needed for effective implementation of the Guidance Principles by standard organisations and assurance providers (e.g. auditors);
- Facilitate the piloting of the Guidance Principles in developing countries and, hence, the building bridges and the progressive integration of workers involved in Subsistence Activities (SA) towards the formal sector of the secondary metals value chain, improved working conditions, etc. in the suggested three component stepping stone approach for improvements;
- Provide support to compliant operators with communication and claims information;
- Coordinate financial support opportunities, training and capacity building from governments, NGOs and partner enterprises;
- Evaluate samples of assessments, self-assessments, due diligence reports, EPR reports, monitoring by governments and NGOs, as well as corrective actions by operators;
- Monitor samples of claims used in relation to the Guidance Principles and undertake action as appropriate in case of misuse or misrepresentation;
- Support the review of the Guidance Principles after 3 years (see 6.3) by collecting feedback and resourcing the revision processes;
- Publicly release annual reports on the implementation of the Guidance Principles, including rates of uptake by stakeholder group, progresses towards
full compliance by operators involved in Subsistence Activities (SA) and
operators involved in unofficial and Official Business Activities (OBA);

– Facilitate a resolution mechanism (see 6.2) e.g. in cases of conflicts of interest
go throughout the implementation of Guidance Principles, particularly in the
assurance process.

6.2 Establish a dispute resolution mechanism

A dispute resolution mechanism will be developed and implemented by the
Coordinating Organisation to allow any interested party (affected persons or whistle-
blowers) to voice concerns to the Coordinating Organisation regarding the
circumstances of Guidance Principles engaged collectors, pre-processors,
metallurgical processors, buyers, traders, exporters, importers or manufacturers or
other stakeholders working in secondary metal value chains. This will allow the
Coordinating Organisation to be alert of risks in the implementation of the Guidance
Principles, and about emerging issues in secondary metal value chains more generally.

The Coordinating Organisation may provide such a mechanism directly, or through
collaborative arrangements with other companies or organisations, or by facilitating
recourse to an external expert or expert body such as an ombudsman.

6.3 Revision of the Guidance Principles

According to ISO Directives clause SI.9, “three years after publication, the member
body which provided the workshop secretariat\(^\text{18}\) will be requested to organize the
review of an IWA\(^\text{19}\), consulting interested market players as well as, if needed, the
relevant ISO committee(s). The result of the review may be to confirm the IWA for a
further three-year period, to withdraw the IWA or to submit it for further processing
as another ISO deliverable in accordance with Part 1 of the ISO/IEC Directives.

An IWA may be further processed to become a Publicly Available Specification, a
Technical Specification or an International Standard, according to the market
requirement.

An IWA may exist for a maximum of six years following which it shall either be
withdrawn or be converted into another ISO deliverable\(^\text{19}\).

Wherever feasible, revision procedures should take into account the ISEAL Alliance
(2014) Code of Good Practice – Setting Social and Environmental Standards V6.0. This
recommends that the revised draft undergoes at least one round of public consultation
and one round of consultation by members of the ISO IWA 19. Additional rounds of
consultation may be organised upon needs. Following each round of consultation, the
coordinating organisation should revise the draft of the Guidance Principles to reflect
suggested changes and established consensus. The final approval of revised Guidance
Principles should be with the members of the ISO IWA 19.

As part of the overall revision process, comments are welcomed on the Guidance
Principles at any time throughout the year. Comments will be incorporated into the
next scheduled review process. Please submit comments by email to the SRI
Roundtable at sri@wrforum.org.

\(^{18}\) In this case, the SNV - Swiss Association for Standardization.

\(^{19}\) In this case, ISO IWA 19 - Guidance Principles for the Sustainable Management of Secondary Metals.
6.4 Geographic or metal-specific adaptations of the Guidance Principles

In certain situations, the Guidance Principles may be adapted to a specific geographic context or to a specific type of metal. It is advised that such a decision bases on a needs assessment at country level which may be developed by a third party.

Potential parties leading geographic or metal specific adaptations are the national standardization bodies, national metal associations or industrial associations. To ensure relevance and alignment with the original Guidance Principles, the party proposing the adaptation is advised to inform and seek for feedback from the Coordinating Group about proposed change based on the results of the needs assessment. Upon acceptance of a needs assessment, the party proposing the revision or the coordinating organisation should draft an adapted version of the Guidance Principles, in line with the suggested changes. The adapted Guidance Principles should undergo at least one round of consultation by the Members of the ISO IWA 19, following ISEAL Standard-setting Code. Additional rounds of consultation may be organised upon needs. Following each round of consultation, the Coordinating Organisation should revise the adapted Guidance Principles to reflect suggested changes and established consensus. The final approval of the adapted Guidance Principles should be with the Members of the ISO IWA 19.

Figure 5: Process for the geographic or metal-specific adaptation of the Guidance Principles
6.5 Monitoring & Evaluation

A Monitoring & Evaluation (M&E) system in line with ISEAL Alliance Impacts Code\textsuperscript{20} is presented in Annex C. The M&E system should build upon a Theory of Change, which describes the short, medium and long term impacts the Guidance Principles are expected to deliver, including but not limited to:

- Improved working conditions throughout the secondary metal value chain;
- Improved living conditions and socio-economic benefits for local communities;
- Increased and optimized recovery of metals throughout the secondary metal value chain;
- Engagement with workers involved in Subsistence Activities (SA) transitioning into formal secondary metal value chains and support their progress towards official recognition and legalisation;
- Reduced negative impacts on the environment through elimination of hazardous substances emitted to water, soil and air and improved use of natural resources;

Annex C includes impact indicators following guidance from the ISEAL Alliance Impacts Code. The Coordinating Organisation should monitor and evaluate whether the expected impacts are observed and, if appropriate, suggest modifications in the Guidance Principles, their implementation and the general strategy of the ISO IWA 19 to achieve the desired impacts.

7. Bibliography


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Annex A: Examples of waste that contains metals [To be further developed]

- Consumer waste (examples):
  - E-waste
  - Batteries and accumulators
  - End-of-life vehicles cars and ships
  - Waste metals in construction
  - Waste metal in packaging
  - Etc.

- Production waste
Annex B: Guidance on how to conduct socio-economic and environmental due diligence processes [To be developed]
Annex C: A Monitoring & Evaluation (M&E) system [To be developed]
Annex D: Limits and best practices of assurance options [To be developed]