

Stakeholder Dialogue

Common Standard Recognition Framework

October 10, 2023, 09:00 – 12:00 Brussels time

CONTEXT

Drive Sustainability recognizes the significance of responsible production and processing of raw materials, as well as the subsequent sustainable sourcing, as key elements of its strategy for Sustainable Supply/Value Chains. Standardization and alignment of common standards implementation within the industry are vital for the future success of achieving fully sustainable automotive value chains. With numerous standards existing across industries and markets, it is crucial for all relevant stakeholders to adopt a coordinated approach.

In 2021, Drive Sustainability launched the Common Standard Recognition Framework, a set of criteria to assess the maturity level of sustainability standards in the minerals supply chain. The main idea of the common standards recognition lies within the common voice of Drive Sustainability. Our ambition is to send a coherent and unified message to our suppliers and stakeholders, to promote standardization, common and/or similar approaches throughout the value chain.

There are five key criteria around which the common standards approach was built: 1) assurance and oversight; 2) governance; 3) Transparency of audit/certification results; 4) ISEAL membership; and 5) continuous improvement.

CRITERIA	Maturity level - expected progression			
	lagging behind →	developing →	leading →	benchmark
1 Assurance & Oversight	self-assessment (1st party audit)	2nd party audit	3rd party audit with oversight system in place	3rd party certification with oversight system in place
2 Governance	industry only	industry-led + ad-hoc stakeholder engagement	structured stakeholder engagement	full equal governance - multi-stakeholder
3 Transparency of audit results	none – only internal use (shared between auditor and auditee)	available only to controlling bodies (legally)	passed down in the supply chain to downstream users that can enable them to do their own due diligence	publicly available with no limitations
4 ISEAL	no	no	ISEAL Community member	ISEAL Code compliant member
5 Continuous improvement	none	KPIs and different performance levels	improvement required over time	incentives for improvements (e.g. reduced fees or special services)

PURPOSE

The purpose of the stakeholder dialogue is to raise awareness on the Common Standard Recognition Framework within the industry and consult with all relevant stakeholders to assess the validity and effectiveness of the framework and gather feedback and input for its potential revision.

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DRAFT AGENDA

TIME (CET)	SESSION	SPEAKER(s)
09:00 - 09:10	Welcome & introductory remarks	Stefan Crets <i>Executive Director</i> CSR Europe
09:10 - 09:30	Keynote: The DS Common Standard Recognition Framework & outcomes self-assessment + Q&A	1 OEM & CSRE
09:30 – 10:30	Keynote: Stakeholders' expectations on standards and certifications schemes + Q&A	Tatiana Kakara <i>Policy Officer</i> European Commission (DG TRADE) Jim Wormington <i>Senior Researcher and Advocate</i> Human Right Watch Gudrun Franken <i>Head of unit Mining & Sustainability</i> Institute for Geosciences and Natural Resources (BGR) Susannah McLaren <i>Head of Responsible Sourcing & Sustainability</i> Cobalt Institute
10:30 - 10:45	Coffee break	
10:45 - 12:00	Consultation session: DS Common Standard Recognition Framework	All participants Session moderated by CSR Europe and OEMs

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Anti-trust Statement

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Under no circumstances will the meetings of this DS be used as a means, directly or indirectly, for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way to impair the ability of members to exercise independent business judgment regarding matters affecting competition.

The following topics shall be strictly avoided in all discussions of the DS:

- Regarding your company's and/or your competitors' product and services, **it is forbidden:**
 - To discuss current or future prices or supply conditions.
 - To discuss any increase or decrease in price or change of supply conditions.
 - To discuss pricing procedures.
 - To discuss standardizing or stabilizing prices or commercial supply conditions.
 - To discuss current or future demand.
 - To ask competitors why a previous bid was so low, or to describe the basis for a previous bid.
 - To discuss profit levels.
 - To discuss controlling sales or allocating markets for any product.
 - To discuss future design or marketing strategies.
 - To discuss credit terms.
 - To discuss banning or otherwise restricting legitimate advertising by competitors.
 - To discuss allocating customers.
 - To discuss volumes.
 - To discuss any other subject likely to restrict competition.
- Regarding your company's and/or your competitors' selection of their supplier companies, **it is in particular forbidden:**
 - To disclose or discuss the identity of suppliers if this identity is a competitively sensitive information.
 - To discuss any boycotting of a company because of its pricing or distribution practices.
 - To discuss strategies or plans to award business or remove business from a specific company.
 - To discuss prices, margins, payment terms, volumes, markets, customers or marketing strategies of suppliers with competitors.
- Regarding your company's and/or competitors' trade secrets, **it is forbidden:**
 - To discuss trade secrets or confidential information of your company or any other member.

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