

ASI Standards Committee

Teleconference

26 July 2022

Before we begin...

Anti Trust Compliance

Compliance with *ASI Antitrust Policy (February 2021)* is a condition of continued participation in ASI activities. Participants should have due regard to this Policy today and in all other ASI activities. Feel free to raise concerns or questions with the Secretariat and/or Chair(s).

- https://aluminium-stewardship.org/wp-content/uploads/dlm_uploads/2017/10/ASI-Antitrust-Compliance-Policy-02-2021-.pdf

Acknowledgement of Indigenous People

ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our Members operate. We aim to respect the cultural heritage, customs and beliefs of all Indigenous People and we pay our respects to Elders past, present and emerging.

Ways of Working

- We are a multi-stakeholder organisation.
- Dialogue is at the heart of everything we do.
- We welcome all participants and enable the full participation of all attendees
- We value diversity of backgrounds, views and opinions, which lends itself to healthy debate and improved outcomes.
- We express our views and listen to the views of others in a respectful and professional way.

Agenda

	Topic	Lead	Slide	Documents Circulated/Linked	Time (mins)	Objective
1	Welcome, Introduction & Apologies, Conflicts of Interest	Chris Bayliss	4	<ul style="list-style-type: none"> 2. ASI - SCMemberApptAlternateForm 26Jul22.doc 3. ASI - SCMemberApptProxyForm 26Jul22.doc 4. SC Disclosure of Conflicts of Interest/Duty.docx 	5	Introduce new representatives
2	Previous Meeting (13 April) Minutes	Chris Bayliss	5	5. DRAFT ASI SC Teleconference Minutes 13Apr22.pptx	5	Approve for publication on ASI website
3.1	Governance: Standards Committee Civil Society Vacancies		6	6. Mme Fatou Compo bio 19-07-2022.docx	5	Recommendation to ASI Board to appoint named individuals
3.2	Governance: Standards Committee Co-Chairs		7		5	Elect, for this term, two co-chairs
3.3	Governance: 2021 Governance Survey		8	7. ASI 2021 Governance Survey - summary of responses for SCtee Apr2022.pdf	5	Review survey summary Address SC-related suggestions
3.4	Governance: Role of WGs, accessing expertise and Standards Committee processes		9	8. DRAFT Topic WGs ToR 19-07-2022.docx	15	Agree Working Groups and Terms of Reference Agree SC way of working
4	Guidance revision procedure	Laura Brunello	10 - 11	<ul style="list-style-type: none"> 9. Standard Guidance structure.xlsx 10. ASI Standards update process - SC workflow.docx 	10	Agree to streamlining of Guidance and revision process
5	Work areas for this term (2022-24): open discussion & priorities	Chris Bayliss	12 - 21		20	Agree SC areas of focus for term and priority actions
6	Committee Log of Actions	Chris Bayliss	22		10	Agree on proposals for Assurance Manual update
7	Post-launch updates: <ul style="list-style-type: none"> Training and Translations 	Laura Brunello	23		5	Update Committee
8	ACTIONS, next meeting & close	Chris Bayliss	24		5	Define ACTIONS, timeframe for next meeting

1. Welcome, Introduction & Apologies, Conflicts of Interest

Attendees (<https://aluminium-stewardship.org/about-asi/asi-standards-committee/>):

**Abu Karimu (Settle Ghana), Alexander Leutwiler (Nespresso), Andy Doran (Novelis),
Annemarie Goedmakers (Chimbo Foundation), Gesa Jauck (Trimet), Guilbert Ebune (Arconic), Hugo Rainey (WCS),
Ioannis (John) Koufopoulos (Elval), José Rubio (Fauna & Flora International), Kendyl Salcito (Nomogaia),
Kristen King (Ardagh), Louis Biswane (KLIM), Marcel Pfitzer (Mercedes-Benz Group AG), Nadine Schaufelberger
(Ronal AG),
Neill Wilkins (IHRB), Olivier Néel (Constellium), Sinika Lein (Otto-Fuchs), Steve Bater (EGA)**

ASI Secretariat (<https://aluminium-stewardship.org/about-asi/asi-team/>):

**Cameron Jones, Camille Le Dornat, Chinelo Etiaba, Chris Bayliss, Ghaidaa Kotb, Klaudia Michalska,
Laura Brunello, Mark Annandale, Marieke van der Mijn, Thad Mermer, Vicky Tran**

Apologies: Patrick Brading (Hydro)

Proxies:

2. Previous Meeting (13 April) Minutes

- **No comments received; Revised Standards published**
 - **Propose accept minutes for publication on ASI website (as all SC minutes are)**
- **For decision**
- **The Committee approved the minutes of the previous meeting of 13 April 2022.**

3.1. Governance: Standards Committee Civil Society Vacancies

- **2 Civil Society seats remain to be filled;**
- **[ASI Governance Handbook \(September 2021\)](#):**

“If there are insufficient Civil Society members for the available Standards Committee seats, non-member civil society organisations will be invited to participate to fill any vacancies...”

- **Abdoul Khalighi Diallo (SC invitee in previous term) has signalled that he would be willing to serve again.**
- **Mme Fatou Compo (health & community development, Guinea) – see “6. Mme Fatou Compo bio 19-07-2022.docx”**
- **ASI has approached Carbon Disclosure Project**
- **For decision**
- **The Committee agreed that Abdoul Khalighi Diallo and Mme Fatou Compo should not be invited to serve on the Standards Committee due to issues around their ability to engage fully in its activities, including language issues (discussions are conducted in English).**
- **Civil Society reps to explore their networks for names of individuals to populate vacant Civil Society seats and communicate them to the Secretariat.**
- **Chris Bayliss to circulate a description of the role**
 - **<https://aluminium-stewardship.org/about-asi/asi-standards-committee>**
 - **<https://aluminium-stewardship.org/wp-content/uploads/2021/09/ASI-Governance-Handbook-v3-September2021.pdf> (in particular pp36-41)**
- **Since the meeting Carbon Disclosure Project have communicated that they are considering nomination but have yet to identify an individual name**

3.2. Governance: Standards Committee Co-Chairs

- [ASI Governance Handbook \(September 2021\)](#):

“Two Committee co-chairs elected by Committee members, one representing aluminium supply chain interests and one representing civil society and indigenous peoples’ interests.”

- **Kendyl Salcito (*NomoGaia*) signalled willingness to continue as interim Chair for continuity**
- **Nominations received for supply chain co-chair**
 - **Steve Bater (*EGA*)**

- **For decision**
- **Members unanimously agreed that Steve Bater should Co-Chair the Standards Committee.**
- **Potential Co-Chairs from Civil Society were invited to nominate and to speak with Kendyl Salcito and/or the Secretariat on the role**

3.3. 2021 Governance Survey

- **Annual survey of Directors, Standards Committee, ASI members and the Secretariat**
- **Identifies opportunities for in effectiveness**
- **Standards Committee effectiveness**
 - **100% Committee respondents thought SC effective in achieving its objectives**
 - **84% of ASI Member respondents agreed.**
 - **Standards Revision - positive and constructive feedback, a sense of collective achievement in building consensus.**
 - **Value of more in-person time noted**
 - **Room for improvement in preparation materials**
- **Suggestions for improvement**
 - **Maximise the value of Working Groups (see Agenda item 3.4)**
- **2020 Survey areas for improvement:**
 - **Reminder for the Standards Committee that members work for the benefit of all ASI stakeholders, not their individual organisations (as per the ASI Code of Conduct).**
 - **A 'governance refresher' for the Standards Committee at the beginning of a new term will be useful (this is**

3.3. 2021 Governance Survey

- A Committee member requested detail on participation rates (see below);
- A Committee member requested the Secretariat chase responses during the surveys.

About the respondents

Responses were anonymous. Number of respondents to each survey were as follows:

- **Board:** 4 responses out of 8 current Directors invited to respond
- **Standards Committee:** 5 responses out of 24 current Committee members invited to respond.
- **ASI Members contacts:** 48 responses from 208 members (* the response rate is being calculated from a Member basis rather than a contacts basis – it is sent to 1900+ member representatives. There may be more than one response from the same member).
- **ASI Secretariat:** 9 responses out of 19 Secretariat members in 2020 (excluding CEO).

General

- Response rates were lower in all 4 survey components from the previous year. In general, the feedback was positive and/or constructive, so this may indicate fewer people that are strongly motivated to respond.
- As always, there are some positive and practical suggestions that ASI can take forward to improve its activities, and these are summarised in the next section.
- Given the ongoing impact of Covid, many suggestions relate to digital engagement with members, and will be incorporated into ASI's planning.

3.4. Governance: Role of WGs, accessing expertise and Standards Committee processes

ASI Governance Handbook (2021):

“The Standards Committee can recommend that ASI convene Working Groups on specific standards-related issues [...] comprised of Standards Committee members, other representatives of members, and other stakeholders. Participants may be nominated by any ASI member or identified by the ASI Secretariat.”

- **Proposal:** In addition to *Standards Benchmarking & Harmonization WG*, establish four broad Working Groups focused on ASI Strategic Sustainability Priorities:

1. **Circularity**
2. **Climate Change**
3. **Human Rights**
4. **Nature-positive action**

➤ **For decision**

Standards Committee role:

- **Parallel workstreams, with SC convening (remotely) every 6-8 weeks**
- **Define/scope issues – tightly defined, with deliverables and timelines specified**
- **In-gather expertise to deliver against scoped issues**
 - **WGs as one of potentially many routes to expertise**
 - **Question: how do we access other experts/knowledge (especially where civil society capacity, in particular, is stretched)?**
 - **Time limited and deliverable focused (not standing sub-committees)**
- **Standards Committee decision-making based on expert input, against defined issues**
- **Implementation of Standards Committee decisions (with Board approval) in non-normative and/or normative documents**

3.4. Governance: Role of WGs, accessing expertise and Standards Committee processes

- A Committee member highlighted the need to think of the confluence of Climate Change and Human Rights in terms of a 'Just Transition' and to ensure that that terminology is captured.
- A Committee member proposed that Biodiversity should be more explicitly addressed in Working Groups.
- A Committee member noted the work of the UNEP World Conservation Monitoring Centre and the opportunity to access expertise via this route – Secretariat to explore.
- A Committee member asked about a budget for engaging outside expertise. The Standards Committee's role is to define the expertise/competency, in a deliverable-focused way – funding could be available for such deliverables
- The need for and value of Indigenous expertise input (through regular IPAF input into SC but also into each WG) was highlighted.
- **For decision**
 - The Standards Committee agreed to restructuring of the Working Groups.
 - The Secretariat will re-draft the Terms of Reference for each proposed Working Group by end August, articulating broadly the scope of work within each, including regional/local specificities (higher risk areas).

4. Guidance Revision Procedure

HOW/WHY?

- **Regular, defined releases of (non-normative) Guidance to reflect implementation and auditing challenges, emerging issues and tools...**
- **Secretariat currently exploring an (online) open-ended public consultation system.**
- **Standards Committee to define issues to address and have oversight of all changes (including editorial), through review and approval of draft text changes. (See ASI Standards update process - SC workflow.docx)**

WHEN?

- **Proposed defined release schedule of updates:**
 - **PS Guidance and Glossary: every 6 months; 31st March and 30th October**
 - **CoC Guidance: annual; 31st March**
 - **Assurance Manual: annual; 31st May**
 - **Claims Guide: annual; tbd**

4. Guidance Revision Procedure

WHAT?

Secretariat currently working on the following with an aim to systematise, to reduce the potential for error when updating, to avoid inconsistency or conflict, redundancy and repetition and to improve readability and implementation:

- **Re-organization of the Performance and Chain of Custody Standards Guidance;**
- **Categorisation of information under defined headings and sub-headings (e.g. Tools; Tools → Impact Assessment; General References).**
 - **See circulated *Standard Guidance structure.xlsx* for full tree diagram overview.**
- **Centralisation of common information (instead of repetition throughout the Standard), e.g. Regular Review**
- **Removal of redundancies and repeated bullet points**
- **General clean-up: removal of Applicability tables and superfluous text (e.g. Code for Applicability) and items addressed in other documents such as Assurance Manual**

➤ **For decision**

4. Guidance Revision Procedure

- **The Standards Committee agreed to the streamlining of Guidance and revision process, including the proposed structure.**
- **The Secretariat will circulate for the Committee's information an initial draft of Performance Standard Guidance 3.1 by the end August.**

5. Work areas for this term (2022–24): open discussion

Greenhouse Gas Entity-level 1.5 Degree Pathway Method(s)

- **Short/mid-term: Guidance for “ASI endorsement” by October 2023**
- **Interwoven with (ongoing) discussion around environmental burden of (pre-consumer) scrap and allocation of emissions (by proxy, recycled content)**
- **Circularity and Climate Change WGs**

Biodiversity & Ecosystem Services

- **Short/mid-term: Guidance (March/October 2023), potentially Criterion (tbd)**
- **Post-Convention on Biological Diversity CoP15 (Oct/Dec 2022)**
- **Nature Positive WG**

IPAF

- **Mid-term: FPIC Guidance refinement (training modules currently under development)**
- **Mid-term: Cumulative Impact Assessments (IPAF project commencing)**

Outcomes-based Standards Development

- **Long-term: Towards 2027 Standards Revision**
- **Indicators built into specific criteria**
- **General principles, with specific Criteria per supply chain activity and/or risk(s)**
- **Balancing burden and impact: avoid “bloat”, target risks, adaptability to (fast) changing risks/issues**

“Beyond Mass Balance”

- **Long-term: Towards 2027 Standards Revision**
- **Complementary/alternative approaches to Chain of Custody**
- **Consuming segment specificity**
- **Circularity WG**

Human Rights

- **Mid-term (?)**
- **Mapping of Affected Populations & Organisations as part of Due Diligence**
- **Displacement: baseline socio-economic & post-resettlement surveys**
- **Just Transition**
- **Human Rights WG**

Other CoC

- **Short/mid-term: Product-related claims development**
- **Mid-term: Alloying elements risks (e.g. Mg, Si)**
- **Long-term: Expansion to carbon products (anodes) and other Inputs**

5. Work areas for this term (2022-24): open discussion

- **The Standards Committee agreed on broad work areas and short/mid-term priorities.**
- **Two Committee members noted that there needs to be a way to ‘move things forward’ in higher risk regions such as Africa. There needs to have a ‘beyond global’ approach and focus on those high-risk areas (to be included in the WG ToR).**
- **A Committee member noted the potential use of CoC as a way to drive change.**
- **A Committee member noted that the Standard and Guidance could also be an opportunity to offer something positive for government/contribute to national priorities**

5. Priority work area: Climate Change

Greenhouse Gas Entity-level 1.5 Degree Pathway Method(s)

- **ASI is a member of the recently formed Aluminum Climate-Aligned Finance Working Group (*Center for Climate Aligned Finance, Science Based Targets Initiative*)**
- **Rocky Mountain Institute initiative:**
 - **Engagement with IAI (also WG members – sectoral pathway), CRU (data partners, ASI has MoU and contributes to model development) and SBTi (future potential to integrate CAF method; currently no capacity to revisit SDA)**
 - **Company/asset/Entity level emissions reduction (and reporting) pathway development, in accordance with the guidelines set forth by the UN-convened Net-Zero Banking Alliance**
 - **Potential method for ASI “endorsement”**
 - **Sign up to “Review Group”: <https://climatealignment.org/work-with-us/>**
 - **ASI Secretariat will keep informed on WG developments**

Center for **Climate**
Aligned Finance

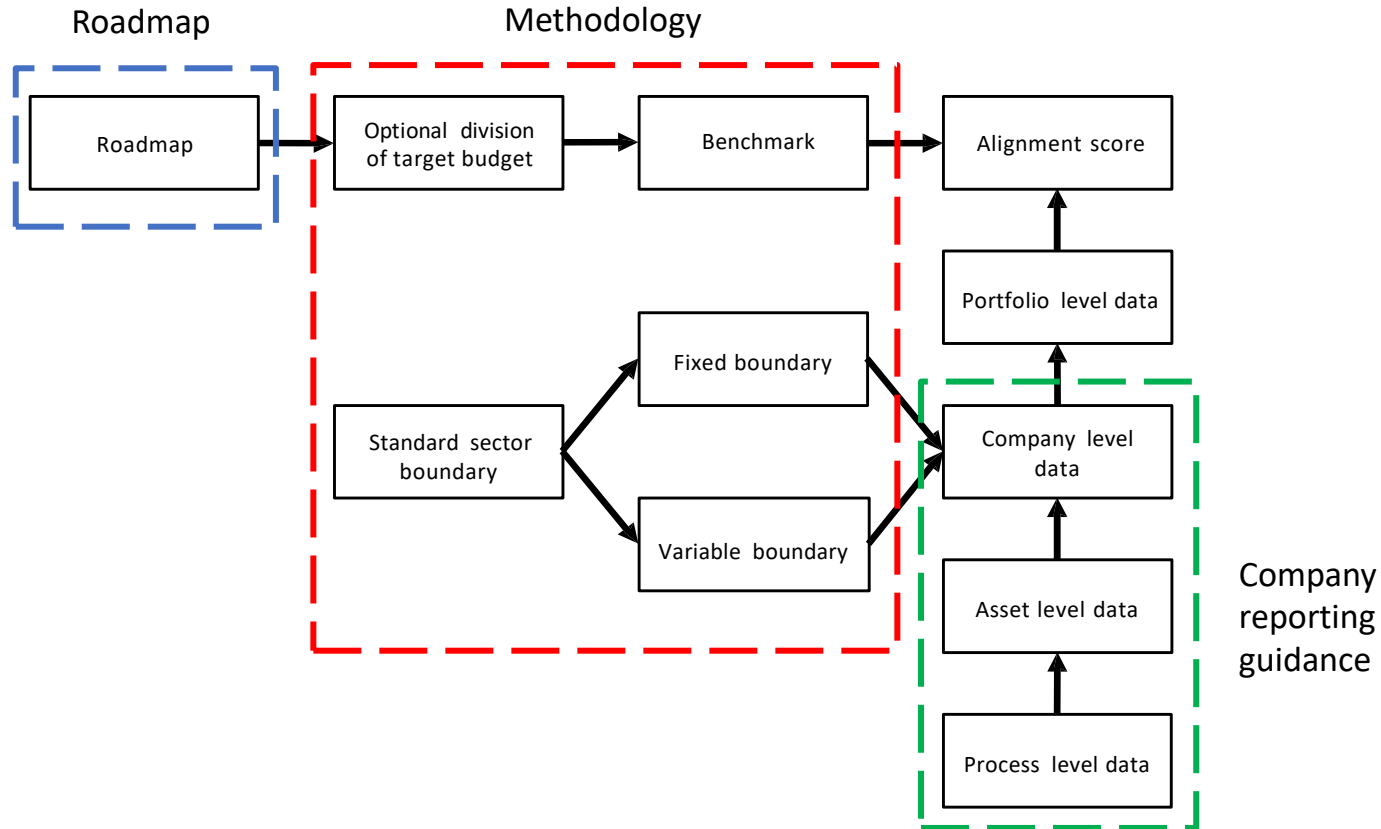
Supporting Financial Institutions
in the Net-Zero Transition



Center for **Climate**
Aligned Finance



Components of the Climate-Aligned Finance (CAF) framework



Description of CAF components

Methodology

- The methodology comprises which activities are included in the scope of the framework (standard sector boundary) and whether a company or asset will need to report emissions based on a fixed boundary (i.e., including all activities within the standard sector boundary) or following a variable boundary (i.e., based on activities within their financial or operational control)
- The methodology also includes the method that will be used to assess or benchmark the alignment of aluminum companies or assets.

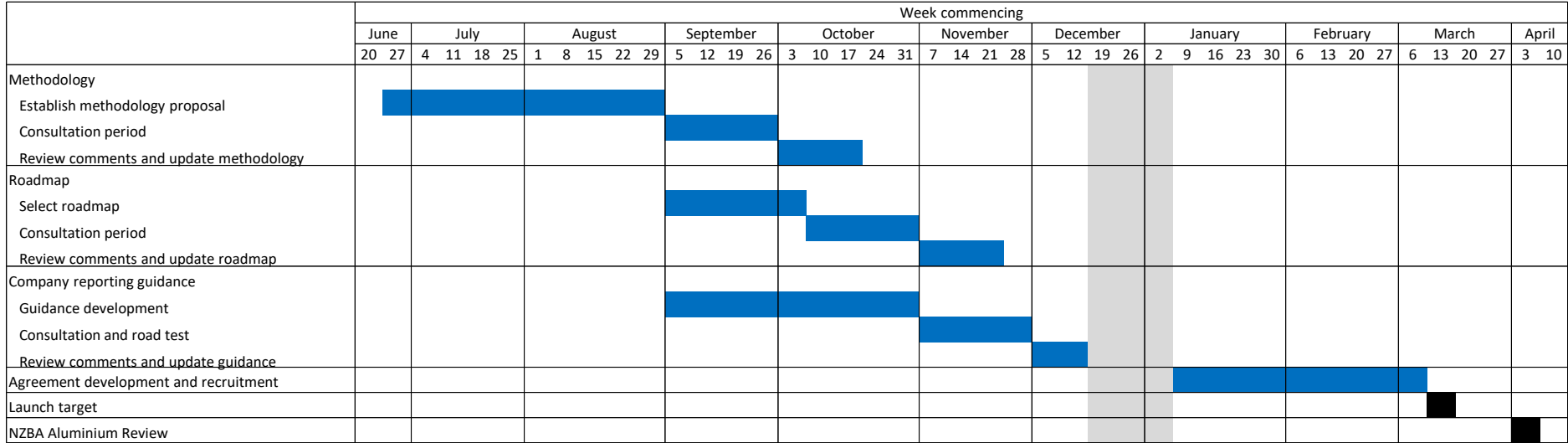
Roadmap

- The roadmap is the emissions-reduction trajectory that the sector must follow to be aligned with a with a 1.5°C warming scenario. It is applied to the methodology to determine whether a company or asset can be considered aligned.
- The roadmap also serves other purposes, including understanding the technology pathways, capital expenditure requirements, and policy and demand prerequisites needed to meet this goal.

Company reporting guidance

- The company reporting guidance provides the technical guidance for how to calculate the emissions of a company or asset based on the methodology.

Timeline



■ Task timeline
 RMI holiday periods
 Per NZBA calendar

5. Priority work area: Nature Positive Action

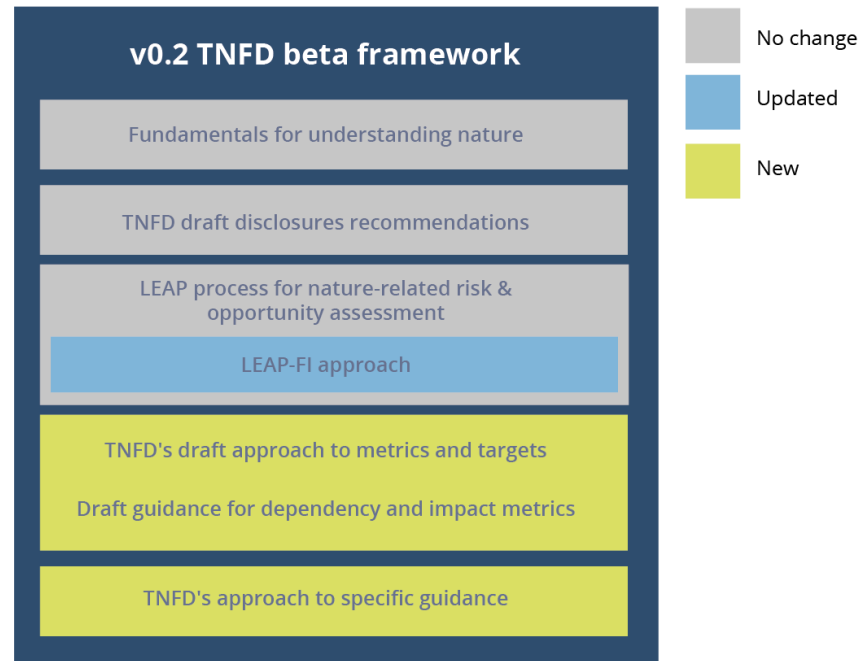
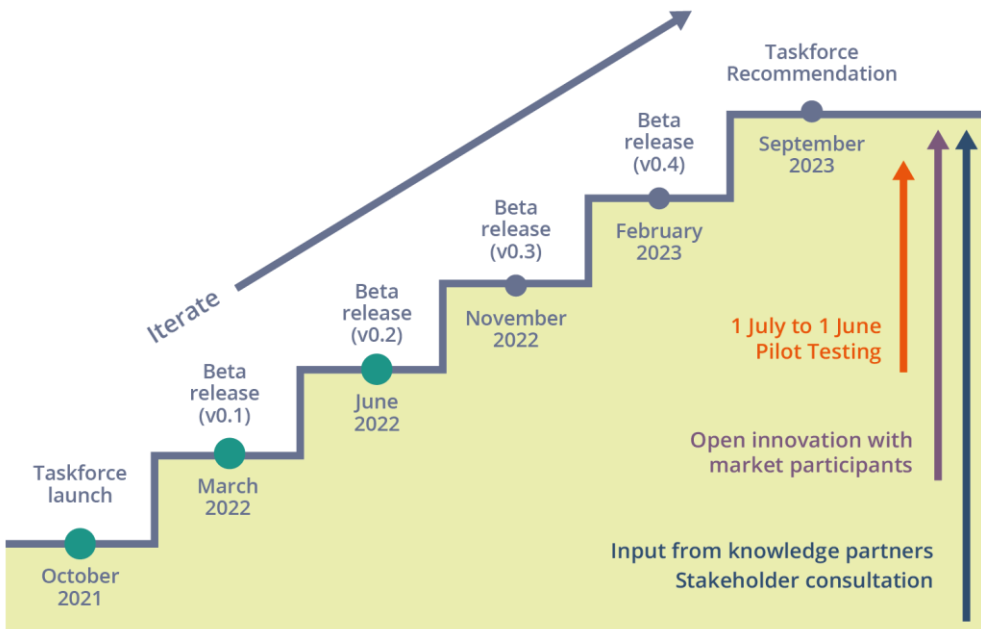
- **Technical & expert consideration Q1 2023 following adoption of the post-2020 Global Biodiversity Framework at CoP15**
- **Begin broader discussions with whole Membership and other stakeholders (via Nature Positive Working Group) in October 2022; “45 Minutes on...**
 - **“...Integrated Biodiversity Assessment Tool + STAR (Species Threat Abatement and Restoration Metric)” with BirdLife International**
 - **“...Critical Ecosystem Areas with Hugo Rainey (WCS)**
- **New framework by Taskforce on Nature-related Financial Disclosures : <https://framework.tnfd.global/wp-content/uploads/2022/06/TNFD-Framework-Document-Beta-v0-2.pdf>**
 - **Opportunities to align ASI Guidance;**
 - **Opportunities to pilot TNFD framework;**
 - **Opportunities for cross-sectoral standards alignment;**
 - **Opportunities to influence development of Framework.**



- **Established in 2021 in response to growing appreciation of need to factor nature in financial and business decisions;**
- **Global, market-led initiative;**
- **Mission to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks and opportunities;**
- **Aim of supporting a shift in global financial flows away from nature-negative and toward nature-positive outcomes.**
- **“Open innovation approach”:** release of several beta versions of its *Nature-Related Risk & Opportunity Management and Disclosure Framework* for feedback and pilot testing with market participants and other stakeholders, and expert input from a wide range of knowledge and implementation partners.
- **Following the release of beta v0.1 in March 2022 and beta v0.2 in June 2022, the Taskforce will release v0.3 and v0.4 of the beta framework in November 2022 and February 2023 , before final recommendations in September 2023.**
- **Initial discussions among ASI, Responsible Steel and Fauna & Flora International:**
 - **ASI mapping framework against PS Guidance to identify (1) gaps; (2) where framework might be used; (3) misalignment or divergence;**
 - **Exploring potential for a Q4 2022 forum to build knowledge of the Framework and share experiences – ASI**



Taskforce on Nature-related Financial Disclosures



LEAP – mapping ASI's Guidance

The LEAP approach

Scoping the assessment

Locate

Interface with nature

L1
Business footprint

Where are our direct assets and operations, and our related value chain (upstream and downstream) activities?

L2
Nature interface

Which biomes and ecosystems do these activities interface with?

What is the current integrity and importance of the ecosystems at each location?

L3
Priority location identification

At **which** locations is our organisation interfacing with ecosystems assessed as being low integrity, high biodiversity importance and/or areas of water stress?

L4
Sector identification

What sectors, business units, value chains or asset classes are interfacing with nature in these priority locations?

Evaluate

Dependencies & impacts

E1
ID of relevant environmental assets and ecosystem services

What are our business processes and activities at each priority location? What environmental assets and ecosystem services do we have a dependency or impact on at each priority location?

E2
ID of dependencies and impacts

What are our nature-related dependencies and impacts across our business at each priority location?

E3
Dependency analysis

What is the size and scale of our dependencies on nature in each priority location?

E4
Impact analysis

What is the size and scale of our nature impacts in each priority location?

Assess

Material risks & opportunities

A1
Risk ID & assessment

What are the corresponding risks for our organisation?

A2
Existing risks mitigation & management

What existing risk mitigation and management approaches are we already applying?

A3
Additional risks mitigation & management

What additional risk mitigation and management actions should we consider?

A4
Materiality Assessment

Which risks are material & should be disclosed in line with the TNFD disclosure recommendations?

A5
Opportunity identification & assessment

What nature-related opportunities does this assessment identify for our business?

Prepare

To respond and report

Strategy and resource allocation

P1
Strategy and resource allocation

What strategy and resource allocation decisions should be made as a result of this analysis?

P2
Performance measurement

How will we set targets and define and measure progress?

Disclosure actions

P3
Reporting

What will we disclose in line with the TNFD disclosure recommendations?

P4
Presentation

Where and how do we present our nature-related disclosures?

Stakeholder engagement (in line with the TNFD Disclosure Recommendations)

Review and repeat

6. Committee Log of Actions

Meeting where Action Identified	Assigned To	Action	Date Due	Latest
24Mar2021	Secretariat	Ensure that there is time to be dedicated to discussing the Theory of Change and M&E program post-revision.	Post-revision	Board Workshop on ToC in Q3 2022– SC input on outcomes will be sought
15Sep2021	Secretariat	‘Horizon Issues’ (from the ASI August Newsletter) to be put on the agenda and ASI will present the origin and context of this piece of work.	Early 2022	Included in communication throughout 2022
Raised 02Mar2022 Board endorsed 07Mar2022	Committee	Review & report to Board how the Ukraine conflict is covered in ASI Standards, and how conflict zones are treated more broadly, in particular with respect to Assurance processes.	Post-revision	Proposal: add to Assurance Manual update process (delivery May 2023)

6. Committee Log of Actions

- **A Committee member expressed disappointment with the slow progress on the action related to the Theory of Change and the need to establish baselines in order to understand if and how ASI is driving change and reminded of promises already a long time ago to put it on the agenda for the SC.**
- **Secretariat: this is tied in with the Outcomes-based Standards development (indicators built into specific criteria), which is a longer-term discussion to be had.**

7. Update on Learning and Translations

Learning: Over the past 12 months, training modules developed and updated and new educational platform launched (GHG, gender, OECD due diligence, HRDD, HRIA, CoC, calibration for auditors – old vs new standards, etc.)

- **Launched with Standards**
- <https://asi.tovuti.io/>
- **Ongoing modules development (Complaints Mechanisms, Modern slavery, FPIC, Assurance-related...);**
- **Future modules planned (Biodiversity and Ecosystem Services)**

Translations:

Chinese and French officially on the website.

German, Spanish and Portuguese:

by end of July

Japanese:

end of August

9. ACTIONS, Next Meeting & Close

- **Agree any final post-meeting actions and timeframes for Committee members**
- **Agree actions for Secretariat**
- **Date(s) of next meeting**
- **Proposal to meet in the week commencing the 12th of September 2022.**
- **Chairs and Secretariat thanks to all participants and close of meeting**

Thank you

