

ASI Management Response

Voluntary Sustainability Standards and Mineral Sector Governance: Synergies and Practices

Prepared by GIZ sector programme Extractives and Development and Levin Sources

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The research report can be found here:

<https://rue.bmz.de/resource/blob/246810/250127-bmz-rue-synergies-vss-study-rz-web.pdf>

Findings and Recommendations

The report examines six Voluntary Sustainability Standards (VSS) and their collaboration with public authorities at various stages of VSS development and implementation, including:

- Aluminium Stewardship Initiative (ASI)
- International Conference on the Great Lakes Region (ICGLR)
- Initiative for Responsible Mining Assurance (IRMA)
- Responsible Minerals Initiative (RMI)
- ResponsibleSteel
- The Copper Mark

It finds that while VSS contribute to improving legal frameworks and engage with governments to share technical expertise, exchange information on responsible mining, and address risks, collaboration is generally limited to areas outside of standard-setting and post-assurance processes. The study identifies significant potential for VSS to enhance their impact on governance by refining outreach strategies and improving knowledge and data sharing. Despite this potential, stakeholders noted various challenges that may hinder deeper collaboration and data exchange between VSS and public authorities.

The report further recommends VSS should engage proactively with producer country authorities, sharing audit reports and prioritising them as key stakeholders. Development organisations should facilitate dialogue between states, VSS, and civil society, while strengthening national capacity to assess VSS and exchange mining data. Civil society should hold mining operations accountable, ensure access to audit results for affected communities, and support their participation in governance discussions.

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We thank the analysis provided in the report regarding the collaboration between Voluntary Sustainability Standards (VSS) and public authorities. While the report notes the limited direct engagement by public authorities in ASI standard development and revision, this also translates to a more trans-national and independent approach to sustainability assurance driven by international norms, which can complement regulatory efforts.

The level of ASI's engagement with government authorities reflects a strategic decision to focus efforts on stakeholder groups such as community members and civil society organisations (CSOs), which aligns with our governance models and the interests of the populations most directly affected by mining activities. The influence of national governments—particularly in jurisdictions with complex political dynamics—can, at times, be seen as problematic by local communities and Indigenous peoples, potentially undermining their interests.

We recognise the potential for VSS to engagement with producer country authorities, particularly around sharing audit findings and promoting responsible mining dialogue. However, this should be done in a way that respects the distinct roles and governance structures of each stakeholder group. The emphasis on capacity building, knowledge exchange, and the facilitation of dialogue with authorities, as outlined in the report, is crucial to enhancing the effectiveness of VSS while preserving their core values.

ASI was disappointed to see that our governance structure was characterised as 'partly multi-stakeholder' in this report. ASI implements a robust governance structure aimed at inclusive decision-making. The Board oversees corporate governance, comprising equal representation from upstream, downstream sectors of the aluminium industry, civil society, and independent directors, ensuring a balanced approach to decision-making. In parallel, the Standards Committee manages standards governance, equally represented by industry stakeholders and civil society, including Indigenous Peoples' Advisory Forum members. This structure supports checks and balances essential for effective governance. This was (re)communicated to the authors after publication.

Furthermore, ASI has long included CSOs in governance and engaged directly with affected communities through like the Indigenous Peoples' Advisory Forum (IPAF). These efforts ensure that those most impacted by mining operations have a meaningful voice in decision-making, even without direct government engagement.

While VSS can positively influence governance, it is crucial to balance non-state governance and state involvement. VSS should continue improving on-the-ground practices without overextending into advocacy roles that may conflict with their core

mission. VSS can achieve this by leveraging their existing relationships with producers, CSOs, and other stakeholders, while ensuring that governance processes remain inclusive, transparent, and focused on the needs of affected communities.

We value the feedback and are committed to exploring ways to further enhance VSS' role in improving governance, while remaining mindful of the complexities and sensitivities involved in engaging with public authorities across various jurisdictions.