ASI Standards Committee – Minutes – Teleconference

Date: 26 October 2016 (2 hours)

Antitrust Statement:

Attendees are kindly reminded that the ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an Antitrust Policy, compliance with which is a condition of continued ASI participation. Failure to abide by these laws can potentially have extremely serious consequences for the ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals. You are therefore asked to have due regard to this Policy today and indeed in respect of all other ASI activity.

Participants:

Committee Members: Catherine Athenes (Constellium), Stephanie Boulos (Coca-Cola Enterprises), Roland Dubois (Rio Tinto Aluminium), Justin Furness (Council for Aluminium in Building), Annemarie Goedmakers (Committee Co-Chair, Chimbo Foundation), Robeliza Halip (Asia Indigenous Peoples Pact), Philip Hunter (Verite), Jerome Lucaes (Rusal), Jean-Pierre Mean (Transparency International), Josef Schoen (Audi), Jostein Soreide (Committee Co-Chair, Norsk Hydro)
ASI Secretariat: Sam Brumale, Fiona Solomon, Michelle Freesz
Apologies: Marie-Josee Artist (VIDS - Association of Village Leaders, Suriname), Karl Barth (BMW), Bernhard Bauske (WWF), Christophe Boussemart (Nespresso), Bjoern Kulmann (Ball), Tom Maddox (Fauna and Flora International), Rosa Garcia Pineiro (Alcoa), Brenda Pulley (Keep America Beautiful), Stefan Rohrmus (Schueco)
Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting v2
3. ASI Monitoring and Evaluation Plan (Draft 3, 25 October 2016) [PDF]
4. Alternate Form [Word]
5. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Review and discuss the draft Monitoring and Evaluation Plan

Items discussed:

1. Preliminaries

a. Meeting objectives and meeting process were noted as per the agenda.
b. Attendance, apologies, proxies and alternates noted.
c. It was **RESOLVED** to accept the minutes of the previous teleconference Standards Committee meeting on 12 October 2016.
d. The Standards Committee meetings Action Log was tabled indicating new and open actions. All actions on track or will be covered in the agenda for this meeting.

2. Standards Committee 2016 /2017 Work Plan and Meeting Dates

a. The Committee was informed that the Board had set the date for the 2017 AGM to take place in Montreal, Canada on 4th April 2017. As such, the in-person Standards Committee

Meeting will occur 5-7 April 2017. A draft agenda is being developed and will be circulated as soon as it has been finalised.

b. Dates for 2017 Committee teleconferences were tabled. There was some discussion about whether meetings should be held on days other than a Wednesday. Wednesday meetings were selected based on a discussion from a previous Committee meeting (2 August 2016). However there is flexibility around these teleconference dates and with sufficient notice, alternatives dates may be able to be arranged where conflicts arise. Dates proposed for 2017:
   - Wednesday 8 February 2017
   - Wednesday 22 February 2017 (optional)
   - Wednesday 15 March 2017
   - Wednesday 3 May 2017
   - Wednesday 14 June 2017
   - Wednesday 26 July 2017
   - Wednesday 13 September 2017
   - Wednesday 25 October 2017
   - Wednesday 6 December 2017

Action: Secretariat to issue Committee meeting invitations for 2017 teleconference as well as the AGM and face to face meeting in Montreal.

3. ASI Standards

a. Chain of Custody Standard – The Committee was informed that the public consultation period for the CoC Standard (draft 3) and the CoC Standard Guidance (draft 1) opened on Friday 21 October 2016. An invitation for stakeholder feedback was issued in the ASI Newsletter to Members and subscribers, as well as being announced on the ASI website. Materials posted on the website include the Comments Form, request for specific feedback on the proposed Market Credit System and supporting information, presentations and webinars.

b. ASI Monitoring and Evaluation Plan – the draft Monitoring and Evaluation Plan (draft 3) was presented and discussed. The presentation included reference back to the ISEAL Code of Good Practice for Assessing the Impacts of Social and Environmental Standards (the "Impacts Code"), which sets a framework to establish processes to measure and improve the results of the Standards objectives, as well as to examine short-term and long-term outcomes and publicly report on the results.

   The draft Monitoring and Evaluation (M&E) Plan includes version 2 of ASI's Theory of Change, and 30 proposed program indicators to measure and assess progress towards meeting ASI's Expected Outcomes and Desired Impacts. It is important to note that many of these indicators will be collected via existing processes such as directly from members at the time of their membership application, through the audit program, and through reviews of publically available information and conduct of surveys. Further, once there is a critical mass of certifications, impact evaluations by independent researchers may be commissioned.

   Key discussion points about the M&E program indicators covered:
   - Confirmation to involve the GHG Working Group in setting methodology for reporting GHG emissions, GHG intensities and energy usage (Indicators 1 & 2). Clarification was provided about the GHG related indicators, noting that they are relevant to the certification scope for certified entities to the ASI Performance Standard and the ASI CoC Standard.
   - Proposal for biodiversity related impacts (indicator 6) to also include ecosystem services. It was noted that this was part of the guidance being addressed by the Environmental

Impacts Working Group and related indicators can be explored and this may result in the inclusion of additional indicators.

- The M&E Plan currently identifies which indicators are also ISEAL Common Core indicators for standards programs. M&E indicators should also seek to align with externally recognised indicators, such as those set by the GRI (Global reporting Initiative) for company reporting.
- There were proposals to expand the indicators relating to social and human rights-related impacts to address aspects such as working conditions, wages, occupational health & safety, training, impact assessments and issues specific to Indigenous Peoples beyond FPIC. The Indigenous Peoples Advisory Forum will provide more input on these, and plan to develop an FAQ and Guidance on respect for Indigenous Peoples' rights. This could include additional indicators/data collection from affected indigenous communities.
- It was confirmed that wording for Indicator 10 on Life Cycle Assessment aligns with the criterion 4.1 in the ASI Performance Standard (i.e. – "*Any public communication on LCA should include public access to the LCA information and its underlying assumptions including system boundaries.*")
- Regarding Indicator 11 and Indictor 17, further consideration to be given regarding how the information might be used or misused by other stakeholders, for example to calculate "recycled content" of ASI Aluminium production as a whole. Data related to recycled material collected via the CoC Standard will be used as part of the quality checks and mass flow assessment. It was noted that ASI as an organisation will not do this in its impacts reporting. Information regarding flow of aluminium by type (primary and recycled) will leverage collaboration with IAI on developing mass flow models for the ASI CoC program, similar to their global mass flow models. The Recycling and Material Stewardship Working Group will also discuss the potential role of ASI-related indicators for recycling rates.
- It was confirmed that indicator 25 on existing recognised certifications that are used in ASI certification helps provide a measure of reducing duplication.
- Consideration to be given to revising the wording of the "Low barrier to entry" Expected Outcome to avoid implying that that ASI does not have high standards. It was noted that this language reflects that used by ISEAL, regarding the importance of broad access to certification programs.
- Indicator 22 relating to audit non-conformances to distinguish number and nature of the non-conformances including the severity (i.e. minor versus major classifications) and status (open / closed).
- It was proposed to add an indicator/s that can specifically compare supply of ASI Aluminium produced under the CoC Standard with actual demand, in addition to evaluating potential future demand. This data is proposed to be collected already under the CoC Standard, and the provision for a carry-over of 'Positive Balance' where supply exceeds demand would be another relevant data point.

Action: *GHG Working Group to develop methodologies and guidance for GHG-related indicators.*
Action: *The Environmental Impacts Working Group Committee members to provide input on environment related indicators including the need for additional indicators, where relevant.*
Action: *Consideration to be given to additional labour and human rights indicators, including those related to Indigenous Peoples' rights. Several Committee members to provide further input.*
Action: *Recycling and Material Stewardship Working Group to review indicators relating to material stewardship Expected Outcome.*
Action: *ASI Secretariat to prepare a paper illustrating how the mass flow related indicators would be aggregated and reported to track flow of materials over time, as part of annual Impacts Reporting.*

Action: *Rephrase the "Low barrier to entry" Expected Outcome to address the concern about implying "low standards".*
Action: *Review indicators relating to ASI Aluminium production and demand (Indicator 17 and Indicator 19) to enable a more detailed analysis of supply (actual and potential capacity) and demand (current and future).*
Action: *Standards Committee to review and provide additional comments on draft 3 of the M&E Plan.*

It was noted that the M&E Plan would continue to evolve over the next 12 months, as further feedback was received from the Standards Committee and through the ongoing development of the ASI CoC Standard and the Assurance Model, with which the M&E program must align and integrate.

4. Working Groups
    a. To be updated at a future meeting.

5. Assurance Manual Update
    a. Additional feedback received for incorporation into the Assurance Manual.

6. ASI Auditor Accreditation Update
    a. The Secretariat noted that discussions with interested audit firms and other industry associations addressing auditor competencies continue to take place. Further updates to be provided at a future meeting.

7. AOB
    a. There was no other business raised.

8. Next teleconference
    Wednesday 7 December 2016.