

ASI Strategic Plan – 2018 to 2021

Adopted by ASI Board on 9 November 2017

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| Our vision | To maximise the contribution of aluminium to a sustainable society. |
| Our mission | To recognise and collaboratively foster responsible production, sourcing and stewardship of aluminium. |
| Our values | <ul style="list-style-type: none"> • Being inclusive in our work and decision making processes by promoting and enabling the participation of representatives of all relevant stakeholder groups. • Encouraging uptake throughout the bauxite, alumina and aluminium value chain, from mine to downstream users. • Advancing material stewardship as a shared responsibility in the lifecycle of aluminium from extraction, production, use and recycling. |
| Our members | <p>ASI has a global, multi-stakeholder membership of organisations that support our mission. Members are grouped into six membership classes:</p> <ul style="list-style-type: none"> • Associations • Civil Society • Downstream Supporters • General Supporters • Industrial Users • Production and Transformation |
| Our objects | <p>ASI’s Constitution defines our objects as:</p> <ul style="list-style-type: none"> • To define globally applicable standards for sustainability performance and material chain-of-custody for the aluminium value chain • To promote measurable and continual improvements in the key environmental, social and governance impacts of aluminium production, use and recycling • To develop a credible assurance and certification system that both mitigates the risks of non-conformity with ASI standards and minimises barriers to broad scale implementation • To become and remain a globally valued organisation advancing programs for sustainability in the aluminium value chain, which is financially self-sustaining and inclusive of stakeholder interests. |
| Our strategic priorities and goals 2018-2021 | <ol style="list-style-type: none"> 1. Effective governance: Support organisational performance through effective governance processes, including multi-stakeholder engagement and decision-making. 2. Credible program: Build and implement credible systems for ASI’s certification program through consultative and consensus-building processes, for future ISEAL compliance. 3. Growing membership: Strengthen the future success of ASI by encouraging membership growth and certification uptake throughout the global aluminium value chain. 4. Financial resilience: Enhance the financial resilience of the organisation to enable it to securely plan and positively adjust to risks and changing circumstances. |

1. Background and context

The 2018 Strategic Plan will be ASI's third, following plans developed for the 2016 and 2017 financial years. No major changes to overall strategy are proposed with the exception of under 'Credible program' where the focus shifts from standards-setting to implementation and oversight. Other updates mainly relate to the specific 2018 objectives and performance measures for the identified strategies.

The Board's oversight of risk, strategy and organisational performance is one of its key roles. The 'Balanced Scorecard' model below summarises the ongoing reporting to Directors via identified performance measures in the strategic plan. Those with a '✓' are already being reported to the Board on a regular or periodic basis. The frequency / timing of reporting is also noted (*italicised in brackets*).

'Balanced Scorecard' for Board reporting:

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| <p>Effective governance</p> <ul style="list-style-type: none"> ✓ Participation in and feedback on AGM (<i>Annual</i>) ✓ Member participation in nominations and elections for governance vacancies (<i>Annual, and for casual vacancies</i>) ✓ Annual reviews of Board and Committee effectiveness (<i>Annual</i>) ▪ Complaints mechanism (<i>Annual/quarterly, expected to be relevant from 2018</i>) | <p>Credible program</p> <ul style="list-style-type: none"> ✓ Reports on strategic issues as identified (<i>Each meeting</i>) ✓ Reports on operational issues as identified (<i>Each meeting</i>) ✓ Reports on IT program (<i>Each meeting</i>) <p><i>From 2018:</i></p> <ul style="list-style-type: none"> ▪ Growth of certifications (<i>Each meeting</i>) ▪ Growth of accredited auditors (<i>Each meeting</i>) ▪ Delivery of training (<i>Each meeting</i>) |
| <p>Growing membership</p> <ul style="list-style-type: none"> ✓ Growth in ASI members (<i>Each meeting</i>) ✓ Distribution of growth across membership classes (<i>Each meeting</i>) ✓ Pipeline of potential new members (<i>Each meeting</i>) ✓ Reports on China engagement (<i>Each meeting</i>) | <p>Financial resilience</p> <ul style="list-style-type: none"> ✓ YTD and EOY performance against budget (<i>Each meeting</i>) ✓ Operating reserves (<i>Each meeting</i>) ✓ Cash flow (<i>Each meeting</i>) ✓ Financial Dashboard (<i>Each meeting</i>) ✓ Management letter from financial auditors (<i>Annually</i>) |

The next section of this document sets out goals, strategies and objectives for 2018 in more detail, for each of the four strategic areas:

- Effective governance
- Credible program
- Growing membership
- Financial resilience

Appendix 1 includes the ASI Theory of Change, which illustrates how the four strategic areas support desired impacts and expected outcomes, and the linkages to broader sustainability issues. The desired impacts and expected outcomes are the focus of the ASI Monitoring and Evaluation (M&E) Plan, which is being developed with the ASI Standards Committee in 2017 and 2018. The Board oversees the organisation's broad strategies via the ASI Strategic Plan and will review progress, emerging risks and future adjustments.



2. Goals, strategies and objectives

Goal 1 – Effective governance – Support organisational performance through effective governance processes, including multi-stakeholder engagement and decision-making.

Strategies

- Support implementation of the ASI Governance Handbook, with clearly articulated responsibilities for members, stakeholders and the ASI Secretariat, to drive effective governance
- Provide opportunities for participation in ASI governance for members and stakeholders through nomination and election processes, meetings and consultations
- Conduct at least annual reviews of governance effectiveness, to inform the future review of ASI's initial governance model which will commence in 2019/2020
- Engage the Board in regular strategic thinking and reflection, to ensure strategy and emerging challenges remain in focus and help drive ASI's long-term success
- Ensure awareness of, and access to, the ASI Complaints Mechanism for issues related to ASI governance

2018 Objectives

1. Hold annual governance elections for the Board and induct any new Directors
2. Hold the Annual General Meeting (AGM) as part of a 3 day event to deepen engagement with both members and stakeholders on ASI's progress and implementation
3. Hold scheduled Board, Committee, Indigenous Peoples Advisory Forum (IPAF) and Working Group meetings to continue progress on their core activities and support effective governance
4. Conduct reviews of Board and Committee effectiveness and identify opportunities for improvements.

Performance measures:

- Participation in and feedback on AGM
- Member participation in nominations and elections for governance vacancies
- Participation in reviews of, and feedback on, Board and Committee effectiveness
- Activities under the Complaints mechanism

Goal 2 – Credible program – Build and implement credible systems for ASI's certification program through consultative and consensus-building processes, for future ISEAL compliance.

Strategies

- Maintain a strong focus on innovation to ensure that ASI's program is meaningful, practical and accessible, and supports learning and continuous improvement
- Disseminate ASI's standards and guidance in a range of languages to support uptake
- Ensure that capacity building for members, auditors and registered specialists addresses program and participant needs
- Continue to develop ASI's online platforms to enhance efficiencies for members and auditors, and enable oversight and aggregate reporting of impacts by ASI
- Develop and implement ASI's Monitoring and Evaluation (M&E) program in accordance with good practice standards and stakeholder expectations
- Nurture and grow effective partnerships and 'inter-operability' opportunities
- Work with the Legal Committee and independent counsel to identify and manage any emerging anti-trust risks in ASI's program
- Become an ISEAL Member

2018 Objectives

1. Prepare and deliver member and auditor training to build capacity for conformance and assessments
2. Commission translations of ASI documents into a range of languages, with priority on French and Chinese, and others as identified through user languages logged in elementAI

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3. Continue to roll out the ASI auditor accreditation and registered specialists programs
4. Continue development of additional functionalities and improvements in elementAI
5. Continue to develop the ASI Monitoring and Evaluation (M&E) Plan and its supporting internal systems with a view to the first Impacts Report in 2019
6. Begin implementing the ASI Oversight model by convening the Independent Accreditation Review Panel
7. Continue to develop collaborations with relevant organisations, including with IAI and GIZ
8. Continue work on thematic issues with participating members and stakeholders through ASI Working Groups on Benchmarking and Harmonisation, Recycling and Material Stewardship, GHG, and establish new Working Groups for Biodiversity and Human Rights.
9. Prepare and submit an ISEAL Association Member application, after the ASI program has been in operation sufficient time to enable ISEAL evaluation against its Standards, Impacts and Assurance Codes

Performance measures:

- Reports on strategic issues as identified
- Reports on operational objectives as identified
- Reports on IT program
- Growth of certifications
- Growth of accredited auditors
- Delivery of training

Goal 3 – Growing membership – Strengthen the future success of ASI by encouraging membership growth and certification uptake throughout the global aluminium value chain.

Strategies

- Make ASI membership accessible to the diverse range of organisations and interested stakeholders in the aluminium value chain
- Provide flexibility in certification scope and uptake options for members in the value chain, to avoid high barriers to entry
- Engage in regular outreach with a diverse range of sectors, geographies and types of organisations, through individual meetings and participation in events
- Position the ASI website as our ‘shop front’ through continual updating of information, and drive traffic and awareness through e-newsletters and social media
- Strengthen relationships with member associations to support outreach among their own members
- Continue to build relationships with governments (eg Germany, Netherlands, US) and international institutions (eg OECD, UN) to position ASI’s work within global action on sustainability issues such as climate change and human rights
- Enhance awareness of ASI and build interaction with stakeholders in China, in recognition of their significant share of global aluminium production

2018 Objectives

1. Grow ASI membership in all membership classes
2. Enhance focus on downstream users of aluminium, developing engagement strategies for key sectors
3. Continue ASI communications activities via website, e-news and social media outreach
4. Support awareness raising of ASI’s mission and progress through events and outreach
5. Develop additional high-level communications materials for new stakeholders
6. Continue ASI’s relationship building and outreach program with stakeholders in China.

Performance measures:

- Growth in ASI members
- Distribution of growth across membership classes
- Pipeline of potential future members
- Reports of China engagement

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Goal 4 – Financial resilience – Enhance the financial resilience of the organisation to enable it to securely plan and positively adjust to risks and changing circumstances.

Strategies

- Continue to implement ASI’s Financial Controls Policies and Procedures
- Continue to grow membership income to increase available financial resources for ASI’s work program
- Continue to grow opportunities for non-membership income, sponsorship/support, grants/project funding and/or collaborative partnerships that provide in-kind support for ASI’s work program
- Ensure an appropriate level of accessible cash operating reserves to manage potential cashflow issues
- Plan for growth of the ASI Secretariat to ensure sufficient internal resources for effective management of an operating certification program, supporting retention of members and achievement of desired impacts

2018 Objectives

1. Continue to grow operating reserves at least 20% of annual expenditure to provide a financial buffer
2. Trial new potential revenue streams such as sponsorship/support/cost-recovery for events, grants/project funding and/or partnership opportunities in addition to membership fee income
3. Grow the ASI Secretariat in line with growth in income, to service a growing membership and program needs
4. Review management letter from financial auditors’ as part of the annual financial audit, to identify any opportunities to improve the quality of ASI’s financial administration

Performance measures:

- YTD and EOY performance against budget
- Operating reserves
- Cash flow
- Financial dashboard
- Management letter from financial auditors

Appendix 1 – ASI Theory of Change

