

ASI Standards Committee – Minutes – Teleconference

Date: 6 February 2018

Antitrust Statement:

Attendees are kindly reminded that 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 have extremely serious consequences for 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 in respect of all other ASI activities.

Participants:

Chair: Annemarie Goedmakers (Chimbo Foundation)

Committee Members: Catherine Athenes (Constellium), Karl Barth (BMW), Christophe Boussemart (Nespresso), Justin Furness (Council for Aluminium in Building), Robeliza Halip (Tebtebba Foundation), Justus Kammuehler (WWF), Bjoern Kulmann (Ball), Jerome Lucaes (Rusal), Tom Maddox (Fauna and Flora International), Jean-Pierre Mean (Independent anti-corruption expert), Rosa Garcia Pineiro (Alcoa), Stefan Rohrmus (Schueco), Marcel van der Velden (Arconic), Neill Wilkins (Institute for Human Rights and Business).

Alternates: None.

Proxies: Jostein Soreide (Norsk Hydro) nominated Rosa Garcia Pineiro (Alcoa) as proxy, Giulia Carbone (IUCN) – nominated Justus Kammuehler (WWF) as proxy, Roland Dubois (Rio Tinto Aluminium) – nominated Jerome Lucaes (Rusal) as proxy.

ASI Secretariat: Fiona Solomon, Sam Brumale, Michelle Freesz, Thad Mermer.

Apologies: Adam Lee (IndustriALL Global Union), Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname), Brenda Pulley (Keep America Beautiful), Josef Schoen (Audi).

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 6 December 2017 v2
3. Draft agenda for Standards Committee face to face meeting 25 May 2018 (draft 25 Jan 2018)
4. Biodiversity and Ecosystem Services Working Group Terms of Reference (draft 25 Jan 2018)
5. Human Rights Working Group Terms of Reference (draft 25 Jan 2018)
6. Alternate Form [Word]
7. Proxy form for this meeting [Word]

As for all Standards Committee Teleconferences, the PowerPoint presentation slides were also circulated.

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Review and discuss draft agenda for face to face Standards Committee meeting 25 May 2018.
3. Agree the draft Terms of Reference of the Biodiversity and Ecosystem Working Group for discussion at their first teleconference planned for February 2018.
4. Resolve to convene a Human Rights Working Group and review draft Terms of Reference
5. Discussion of Standards Committee activities and focus areas for 2018.

Items discussed:

1. Preliminaries

- a. Welcome.
- b. Apologies and proxies received.
- c. **RESOLVED to accept minutes of previous teleconference meeting held on 6 December 2017 (version 2), subject to any agreed amendments.**
- d. Review of Actions Log – see list at end of Agenda.
- e. A summary of the Board Meeting 12 December 2017 was provided as it related to the decision to launch the ASI certification program:

Standards Committee information provided to the Board:

- Minutes of 6 Dec meeting 2017 SC teleconference (V1 and V2) including the risks and benefits of the 2 workplan options (Action 124)
- Recommendation regarding the 2 year program for the ecosystem services integration (Action 130)

Board discussion

- Biodiversity issues and other interest areas (IPAF, GHG, HR, Monitoring & Evaluation of impacts).
- Balancing stability of the Standard for the first implementation vs dealing with stakeholder issues being raised for biodiversity
- Need for more information to make a decision on revision timing (for biodiversity)
- ASI should not lose sight of the positives to enable launch of ASI certification program
- A strong commitment to establish the Biodiversity Working Group

The Board voted on two options:

- Option A: Adopt the ASI Standards, convene the WG as soon as possible, and seek further clarity at Board's May meeting.
- Option B: Not adopt the ASI Standards, and still convene the WG as soon as possible, and seek further clarity at Board's May meeting.

Outcome

- ASI Board approved to launch the certification program (and the Normative documents)
- Seek clarity from the Biodiversity Working Group and Standards Committee at the Board's May meeting on potential revision timelines, based on the feasibility for consensus.

Committee discussion of process:

- One Committee member noted that the Board not taking on the Committee's November 2017 recommendation for a 2 year timeframe for revision of ecosystem services was a missed opportunity.
- One Committee member noted that their organisation had supported the Committee's recommendation to launch the ASI Standards with a view that it would be conditional on binding timeframes for revisions of the biodiversity related criteria in the Performance Standard. They were disappointed that the Board had agreed to launch without these conditions set as yet and reaffirmed their position regarding the importance of having the Biodiversity & Ecosystem Working Group work towards a timeframe that enabled adoption of changes to the Biodiversity criteria (integration of ecosystem services and expansion of the no-go areas) within a two year time frame.
- The Secretariat noted that the Board recognised that views within the Committee on some of the topics under discussion were still polarised. In response to a question from another Committee member, the Secretariat also noted that additional information to support Board decision making should include a clear proposal from Biodiversity and Ecosystem Services Working Group and Standards

Committee regarding any changes to the Performance Standard, the timing, and an assessment of what these changes might mean for implementation and uptake of ASI.

2. Standards Committee Update:

a. **Standards Committee Elections [For Action and Information]** – As per the terms in the Governance Handbook, all Committee members are at the end of their first term in 2018. Current Committee members may nominate for re-election/re-appointment and a call for nominations will go out to all Members. Timing is as follows:

- Nominations in February
- Elections during March to give sufficient time for successful candidates to plan attendance at the May 2018 Board and Committee face-to-face meetings (as relevant) in Perth.
 - Note the newly-elected Standards Committee members are eligible attend the Committee meeting.
 - Outgoing Committee members are still invited to attend the open program in ASI's AGM week but will not be able to participate in the Committee meeting unless elected.

Comments discussed included:

- A nomination form will be made available in the same format as previous years.
- Committee election results will be known at least 2 months before the AGM, to enable travel arrangements, even if the new terms don't start until 20 April 2018.

b. Accredited Auditor and Registered Specialist Update [For Information]:

- Accredited Audit Firms:
 - Two firms accredited:
 - BNQ
 - SMT-Global
 - Review of two applications in progress (we are waiting for additional feedback and clarification to queries from Control Union and International Associates)
 - Five more applications are expected soon (DNV, Intertek, Rina, SGS and Exova BMTrada).
- Registered Specialists:
 - Ten Registered Specialists, including new human rights consultant.
 - All details on the ASI website and within elementAI.
- ASI Oversight Mechanism:
 - Progression of the ASI Oversight Mechanism is underway. An updated version will be circulated at the next meeting for comments and finalisation.
 - Oversight mechanism includes steps for the Secretariat to review the conduct of certification audits and audit reports for completeness and adherence to ASI processes.

Comments discussed included:

- Most audit firms apply for accreditation against both Standards. SMT Global has currently only applied for the Performance Standard but hope to extend to CoC in future.
- Discussions are underway with interested auditors to expand coverage in Europe and Brazil, and other locations around the world.
- The Secretariat reminded members to let their auditors know about the ASI Accreditation process available from the ASI website. Alternatively members can provide their auditors contacts details so that the Secretariat can contact them.

- The expertise of the registered specialists has a wide range and includes discipline based (e.g. human rights), technical process based (e.g. casting) and management systems (e.g. certification programs).

c. elementAI Update [For Information]:

- Member dashboard updated for the launched versions of the ASI Performance Standard and the ASI Chain of Custody Standard
- Note issued to all Members that have initiated self assessments (using the pilot version of the Standards) that these will be migrated into the new format
- Stage 1 of the Auditor Dashboard completed with the final features (reporting) and follow-up audits currently underway
- 66 self assessments initiated by 23 members:
 - 46 for the Performance Standard (39 draft and 7 final version)
 - 20 for the Chain of Custody Standard (draft version)
- One self assessment has been submitted through the platform for review as part of the process to initiate a certification audit.

Comments discussed included:

- It was confirmed that once a company has completed a Self Assessment/s that they want to take through to certification, they grant the auditor access to this/these that relate to their desired certification scope. It does not provide access to the whole member Dashboard.
- The learnings and actions from last year's pilot were tabled for discussion at a Standards Committee meeting in Q4 2017. This will be forwarded to the interested Committee member. In summary, most were integrated into change and improvements to the platform design and functions, and others were fed back into changes in the draft ASI Standards and Guidance, and Assurance Manual to provide further clarification on questions raised.

Action: Secretariat to summarise learnings and actions from last year's pilot into a brief report.

d. IPAF Update [For Information]:

- Report summarising outcomes of the July 2017 IPAF meeting held in Gove, Australia had been issued and a copy is available via the following ASI website link: <https://aluminium-stewardship.org/about-asi/indigenous-peoples/>
- Key outcomes noted in the report include:
 - Discussion about IPAF terms of reference, a membership outreach strategy, internal and external methods of communication, and the selection representative members to stand on the Standards Committee.
 - Opportunity for a collective review of the social aspects of the ASI Standards which fed into the public consultation comments with recommendations regarding both form and content of the Standards, as well as on possibilities for further application and collaboration of the IPAF in the implementation phase of the certification.
- Development of 2018 in-person meeting in Suriname is underway, led by VIDS - Association of Village Leaders, Suriname. A focus of the meeting will be the development of a future workplan, including additional guidance development, studies, and co-ordination of input into issues of interest to Indigenous Peoples.

Comments discussed included:

- The IPAF representative noted that another positive outcome of the meeting was direct engagement with the ASI Board via participation of the Board Chair. Outreach for the 2018 meeting is underway in Brazil and Canada, and it is hoped

new participants will join the upcoming meeting in March. At this meeting, new IPAF representatives to the Standards Committee will be chosen. This may include designating official alternates, as initiated at the 2017 IPAF meeting.

e. AGM Week update [For Information]:

- Planning underway for the 2018 AGM week. Invitations issued to Members and interested stakeholders to register and participate in open forums.
- Civil society and IPAF Committee members that are continuing in the Standards Committee and are thus eligible for travel support are to liaise with Michelle Freesz, ASI Administration Manager re travel arrangements.
- Draft agenda for the AGM week was presented.

Comments discussed included:

- The auditor training on the Monday can also be opened up to interested ASI members. The training won't qualify these other participants as auditors, but gives insight to the auditor side and takes a deeper dive into the Assurance Manual.
- It was noted that in response to previous comments, ASI have been advised that the Alcoa sites in Perth are not within IUCN categories I-IV.

f. May face to face Standards Committee Meeting [For Information and Discussion]:

- First draft of the face to face meeting Friday 25 May 2018 prepared and circulated. Topics for discussion will include:
 - Outcomes of the Biodiversity and Ecosystem Services Working Group including status and recommendations from the Biodiversity and Ecosystem Services Working Group
 - Discussion and finalisation of the ASI Monitoring and Evaluation Plan.

Comments discussed included:

- A suggestion for the Standards Committee to forgo the Wednesday site visits in favour of more meeting time was not supported.
- A proposal for extra time on the Saturday morning, to allow more time to discuss and agree clear recommendations to the Board regarding revision timeframes, was generally supported.

***Action:** Secretariat to prepare updated agenda that extends the meeting into the morning of Saturday 26 May for Committee review and to agree by 20 March to enable travel plans to be finalised.*

3. 2018 Committee Activities:

a. Biodiversity and Ecosystem Services Working Group [For Action and Information] – Updated draft of the Terms of Reference of the Biodiversity and Ecosystem Services Working Group circulated. Items for discussion include:

- Scope:
 - Biodiversity performance requirements in Principle 8 of the ASI Performance Standard (v2) with focus on the integration of ecosystem services and the expansion of the 'no-go' commitment to other areas of high biodiversity value for the aluminium supply chain. This is a two year workstream.
- Objectives include:
 - Criteria and guidance for the integration of ecosystems services and the conduct of associated impact/dependency assessments in relation to ecosystem services and natural capital (this is a two year workstream as

per the compromise recommendation arising from the Standards Committee teleconference on 29 November 2017.

- Benchmarking the biodiversity criteria in the ASI Performance Standard
- Propose content changes to the Performance Standard regarding an expansion of the 'no-go' criterion
- Report to the Board on recommended timelines for the revision of the Performance Standard
- Outline of an initial timeline was presented but the detailed action plan (with resources and budgets, as required) to be developed by the Working Group for approval by the Committee
- A status update will be required in preparation for the post AGM ASI Board meeting.
- Currently have 16 registered participants with 5 independent of ASI. Participation open to members and interested stakeholders. Please advise any remaining nominations ASAP.
- Propose that the aggregate skills of participants should include:
 - conducting impact/dependency assessments in relation to ecosystem services and natural capital
 - current scientific knowledge of, and relevant national and multilateral commitments to, biodiversity conservation
 - biodiversity criteria and indicators in comparable sustainability standards (including but not limited to mining and metals)
 - classification of areas of high conservation value (including but not limited to legal protected areas)
 - biodiversity impact mitigation and offsets in the extractives sector
 - GIS analysis
- Next steps:
 - First teleconference targeted to be held in February, and ideally meet monthly in the lead up to a face-to-face meeting in AGM Week on Thursday 24 May
 - Election of co-chairs to be discussed. If agreed, nominations and elections to be held. Proposal for an independent facilitator can be explored.

Comments discussed included:

- Objectives to be reviewed to both simplify e.g. (a) analysis, (b) benchmarking and (c) proposal of changes, and to be consistent in sequence for both ecosystem services and no-go areas.
- It was noted that on ecosystem services a 2 year revision time frame has already been agreed in the compromise of the Standards Committee.
- The 'planetary boundaries' objective was seen to not fit although it was noted its inclusion had stemmed from a decision from a previous Standards Committee Meeting (Action 127).
- Varying views on the amount of work to be done and feasibility of timeframes by May, noting the potential need for prioritisation. This will be further discussed by the Working Group.
- One member restated that their organisation believes that it is critical for the Working Group to work towards a timeframe that enables the adoption of changes to the Biodiversity criteria (for the integration of ecosystem services and expansion of the no-go areas) within a two year time frame, as this was the basis for their support of the Committee's recommendation (21 November 2017) to the Board to adopt the normative documents.
- Other members noted that the timeframe and any proposed changes to the Performance Standard should not be pre-empted and that the Working Group be

allowed to carry out their task of advising the Standards Committee and the Board of these matters. Several Committee members agreed to circulate their work and studies that have already been undertaken regarding mapping / benchmarking as soon as possible.

- The potential for resources to support a few days of work was raised and will be further discussed.
- Benchmarking against other standards will not necessarily create upper or lower boundaries for ASI's approach.
- The analysis may be easier than the normative discussions about potential changes.
- The TOR could further clarify the respective responsibilities and sequence of decision-making, through WG, Standards Committee and Board, re the nature and timing of revisions.
- Downstream representatives could be further encouraged to participate.

Action: Secretariat to update Biodiversity and Ecosystem Services WG TOR as per discussions, and circulate to Committee for any final comment before first WG teleconference.

Action: Committee members to circulate studies and information relating to the Biodiversity and Ecosystem Services WG TOR.

b. Human Rights Working Group [For Action and Information] – Draft Terms of Reference of the Biodiversity and Ecosystem Services Working Group circulated. Items for discussion include:

- Scope:
 - Review human rights related criteria and supporting guidance to address human rights impacts in the aluminium supply chain.

It was **RESOLVED** to convene a Human Rights Working Group.

- Next steps:
 - Human Rights Working Group convened with multi-stakeholder participation, including relevant experts from industry, CSOs, IPAF and externally.
 - Co-chair elections if required

Comments discussed included:

- ASI already has names of potential participants and will undertake further outreach. Committee suggestions very welcome.

Action: Secretariat to convene Human Rights WG.

c. 2018 Committee Activities [For Information] – Other activities for Standards Committee during 2018 include:

- Monitoring and Evaluation of Impacts
 - Finalise the ASI Monitoring and Evaluation (M&E) Plan. This is a requirement for ISEAL membership and a core part of ASI's long-term strategy. See ASI's Theory of Change at <https://aluminium-stewardship.org/asi-standards/theory-of-change/>
- Oversight of other Working Group Activities:
 - Standards Benchmarking and Harmonisation Working Group:
 - Expansion of the recognised external certification standards and parallel initiatives for harmonisation as these come on line such as ISO 45001 for OHS Management Systems, the Responsible

Steel standard and the Initiative for Responsible Mining Assurance (IRMA)

- Recycling and Material Stewardship Working Group:
 - Guidance and direction to assist integration of SME recyclers and shredders/dismantlers
 - Provide general guidance on good industry practice for collection, segregation and recycling initiatives
- Greenhouse Gas Working Group:
 - Address the implications of the COP21 agreement to review what a 1.5 degree and 2 degree GHG emissions trajectory would look like for the aluminium sector.
 - Guidance and methodologies to support Entities throughout the supply chain establish context based and meaningful GHG reduction targets, based on scientific rationale
- Environmental impacts Working Group:
 - Guidance and methodologies to help Entities to establish context based and meaningful targets to reduce air, water and waste emissions and to improve air, water quality based on supply chain activities.

Comments discussed included:

- Clarification regarding the date for the next GHG WG teleconference

Action: Secretariat to prepare list of upcoming WG teleconference dates.

4. AOB

- a. No other business.

5. Next Committee teleconferences:

- a. Next meeting:
 - **Wednesday 27 March 2018** – Update on SC nominations, Biodiversity & Ecosystem Services Working Group, final draft of Oversight Mechanism and Monitoring & Evaluation Plan.