

ASI Standards Committee – Minutes – Teleconference

Date: 30 January 2019

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:

Co-Chairs: Annemarie Goedmakers (Chimbo Foundation) - Chair, Jostein Soreide (Norsk Hydro)

Committee Members: Catherine Athenes (Constellium), Karl Barth (BMW), Steven Bater (EGA), Tina Björnestål (Tetra Pak), Christophe Boussemart (Nespresso), Justin Furness (Council for Aluminium in Building), Justus Kammüller (WWF), Catherine Munger (Rio Tinto), Hugo Rainey (Wildlife Conservation Society), Kendyl Salcito (NomoGaia), Marcel van der Velden (Arconic), Neill Wilkins (Institute for Human Rights and Business).

ASI Secretariat: Fiona Solomon, Sam Brumale, Krista West, Marieke van der Mijn, Thad Mermer, Michelle Freesz.

Apologies: Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname), Nicholas Barla (Odisha Indigenous Peoples Forum, India), Giulia Carbone (IUCN), Adam Lee (IndustriALL Global Union), Tom Maddox (Fauna and Flora International), Jean-Pierre Mean (Independent anti-corruption expert), Alexey Spirin (Rusal), Rolf Varis (IGORA).

Alternates / Proxies: Jostein Soreide (Norsk Hydro) proxy for Rosa Garcia Pineiro (Alcoa), Justus Kammüller (WWF) proxy for Stefan Rohrmus (Schueco).

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 4 December 2018 v2
3. Draft ASI Monitoring and Evaluation Plan (V8, 15 November 2018)
4. ASI M&E Indicators List and Details (9 November 2018) [Excel]
5. Alternate Form [Word]
6. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Update on ASI Board response to open letter from WWF, IUCN & FFI about biodiversity provisions in the Performance Standard and timing of the next revision to the ASI Standards as outlined in the Board approved ASI Strategic Plan for 2019.
3. Recap of the Standards Committee 2019 work program.
4. Ongoing discussion about the revised draft ASI Monitoring and Evaluation Plan (v8 15 November 2018) and related M&E Indicators (9 November 2018).

Items discussed:

1. Preliminaries

- a. The Co-Chair opened the meeting and welcomed everyone.
- b. Apologies and proxies received were noted.
- c. The objectives and approach for the meeting were presented.
- d. **RESOLVED to accept minutes of previous meeting held on 4 December 2018 (version 2).**
- e. Open actions from previous meetings not already covered elsewhere in the meeting shown at end of minutes.

Committee Discussion:

- None.

2. Standards Committee Update:

- a. **ASI Secretariat Update [For Information]:** ASI's new Director of Impacts and Partnerships, Marieke van der Mijn, who commenced on 21 January 2019, was welcomed. Marieke is based in The Hague, Netherlands.

Committee Discussion:

- None.

- b. **Open letter to the ASI about biodiversity from WWF, IUCN, FFI, and ASI Response [For Information and Discussion]:**

- During the previous Committee meeting, the ASI Board approved ASI Strategic Plan for 2019 was discussed. The Plan outlines the program for the revision of the ASI Standards and normative documents, which will commence in 2020. The review will cover all parts of the Certification program (Performance Standard and Guidance, CoC Standard and Guidance, Assurance Manual and Claims Guide) for completion by 2021.
- The Plan also identified the important role of the Working Groups, including in the area of biodiversity and ecosystem services, to progress current and new issues during 2019 to prepare for the commencement of the revision process.
- In response to the Plan, an open letter addressed to the ASI Board Chair and the CEO was received 7 December 2018 from WWF, IUCN, FFI calling for further action about protected areas by the ASI Board and the Secretariat. The open letter can be accessed via the following link:
https://aluminium-stewardship.org/wp-content/uploads/2019/01/Open_letter_to_the-ASI_Protected_Areas_WWF_IUCN_FFI.pdf
- The ASI Board and CEO developed a response to the open letter that aimed to address the concerns raised and to provide context for the processes to date and ahead regarding biodiversity and plan for the Standards revision timetable. The response to the open letter can be accessed via the following link:
<https://aluminium-stewardship.org/wp-content/uploads/2019/01/ASI-Response-to-WWF-IUCN-FFI-letter-Dec2018-final.pdf>
- From both parties, there is general agreement on the importance of the matters under discussion, and for open communication to reach consensus and a resolution collaboratively and respectfully
 - Ongoing dialogue between the open letter signatories and ASI
 - Next BESWG meeting 31 January 2019
- There have been views expressed by other stakeholders include:
 - In support of expanding the no-go areas (IUCN categories)

- Concern for the complexities / limitations the expansion present from a human rights perspective (e.g. the role of governments, impacts on Indigenous peoples)
- Concern about ‘exceptionality’: that biodiversity is not more important than other topics in the ASI Standards, and that there does not appear to be a particular issue on the ground that is driving the sense of urgency
- Concern that this is not an outcomes-focused approach for biodiversity management
- Concern about the letter attempting to circumvent existing dialogue and consensus-building processes that are underway in the BESWG, cutting out other stakeholders.
- The committee was invited to discuss and provide comments.

Committee Discussion:

- One member noted that there are opportunities for additional clarity and a broader understanding of concerns from members on biodiversity and protected areas. On the topic of ecosystem services, they also suggested that ASI review the recently updated IFC Guidance Note 6 for consideration. The value of the IFC Guidance Note was seconded by a second member.
- One member suggested that ASI consider the opportunities for focused work in Guinea, where there are major bauxite reserves and some companies were trying to do good work on biodiversity. The Secretariat responded that there was interest in holding the 2020 IPAF meeting in Guinea and that work on biodiversity issues could be connected.
- One member raised concerns with rushing the discussion on biodiversity and expanding no-go areas as biodiversity has been used as a weapon against indigenous and marginalized peoples around the world over the last ten years. This creates a major human rights risk that should be considered. ASI may find it needed to create exceptions to protect vulnerable communities. The member will send a list of examples in various countries to the Committee.
- One member agreed that these were very important issues that need to be addressed, and that it shouldn’t be only about a particularly protected area category or certification system, but the impact on the ground. Perhaps exceptions could be made for demonstrated good practices in protected areas still able to be certified.
- One member asked how we can move ahead in the process now that the process for consensus making has failed, suggesting perhaps smaller group discussions as an alternative. The Secretariat responded that the Board’s view isn’t that the consensus building process has failed but that it is still in process. Sometimes the process of building consensus from very divergent starting points takes longer than desired, but progress is being made and ASI remains committed to the consensus building process. It was noted that within the BESWG, smaller groups had been formed to work on specific aspects of the topic.
- One member reiterated concerns that not having the no-go discussion solved by this time was exactly what was feared by their organisation when the Standard was launched, however, progress was now being made and it was time to start putting words on the page and engage in the drafting process.
- One member raised concerns that the additional views of stakeholders presented should not be raised in the minutes as they were not attributed. It was noted that some of the comments raised were addressed in the discussion on human rights risks, while others were communicated to the CEO in response to the distribution of the two letters. It was also noted as a general point that ASI’s standards setting procedure allows for anonymous comments. Other members felt that it was acceptable to have the comments unattributed, because more information,

however it was brought forward, would help inform a better understanding of the nuances and hopefully the potential ways to address them. People with these and other perspectives were invited to bring further information or detail forward for discussion in the BESWG.

c. Annual Survey and ASI Governance Review [For Information]:

- The annual governance survey issued to all Committee and open to all that served during 2019 <https://aluminium-stewardship.knack.com/2018-governance-surveys#scree-gov-survey-2018/>
 - Please complete by 1 February 2019
 - Results will be tabled with the ASI Board for their review.
- The ASI Governance Review (as set out in the Constitution) to commence in Q1 CY 2019.

Committee Discussion:

- None.

d. Standards Committee 2019 Work Program Recap [For Information and action]

- Completion and implementation of the M&E Plan (Q1 CY2019).
 - IPAF and Working Groups to have additional input on applicable M&E indicators in Q1 2019.
- Oversight of working Group activities during 2019 – calendar invitations for first round of meetings issued:
 - 31 January 2019 – Biodiversity & Ecosystem Services WG
 - 11 February 2019 – GHG WG
 - 13 February 2019 – Standards Benchmarking & Harmonisation WG
 - 12 March 2019 – Recycling & Material Stewardship WG
 - 13 March 2019 – Environmental impacts WG.
- Indigenous Peoples Advisory Forum (IPAF) meeting set for Ranchi, Jharkhand, India, 25 February - 6 March, 2019. Topics for discussion include:
 - The ASI Monitoring and Evaluation Plan, in the area of evaluating outcomes and impacts of ASI Standards for Indigenous peoples
 - The ASI Governance Review, with regards to the IPAF terms of reference in the ASI Governance Handbook and Constitution
 - Discuss the IPAF-related candidate for the ASI Independent Accreditation Review Panel before appointment by the Board.
- During the 2019 AGM Week, there is a 1-day meeting for SC on Friday 7 June 2019:
 - AGM week will be in Molde, Norway (about an hour's flight from Oslo) at the Scandic Seilet
 - Reminder that ASI provides travel support (economy flights, land transport accommodation, meals) to CSO and IPAF representatives on the Standards Committee:
 - Other AGM related meetings include:
 - The AGM (for ASI Members only) and conference 4-5 June
 - Aluminium smelter visit on 6 June
 - Training on the ASI Certification program will also be offered on Sunday 2 June to Monday 3 June.
- Second 2-3 days in-Person SC Meeting – sometime in late September to early October 2019:
 - Focus on deeper topic-based content and standards-setting activities with elected and/or thematically interested participants (Standards Committee and Working Group/s)
 - Agenda for this meeting will be developed after the AGM week

- Aim to also conduct back to back member and auditor training.

Committee Discussion:

- One member stated that it was unwise that more time was not being given to the Standards Committee. The Secretariat responded that the Board had discussed this topic and that the decision was made to keep the Standard Committee meeting to one day in order to focus on the AGM on the broader membership and ensure that Secretariat staff aren't overstretched in what is already a very intense week. Resources are being devoted to a stand-alone SC meeting of 2-3 days, plus Working Groups, in September/October. This separates the general governance/engagement meetings from the more technical/development type meetings. One member supported the Board's decision to separate the move the main SC meeting out of AGM Week, to enable a longer physical meeting and two meetings in the year, as the SC had previously requested. Previous experience had shown that enabling the SC to sit together and focus for 3 days can give good results.

e. Accreditation and Certification Update [For Information]:

- Accreditations - ASI currently has 9 Accredited Auditor firms:
 - New: SWEDAC Zertifizierungsgesellschaft International GmbH (SZI) and Bureau Veritas Italia (BVA)
 - Two applications under review
 - Scope expansions for existing accredited audit firms continue to come in and be processed
 - first round of annual review to maintain accreditation underway.
- Certifications:
 - Since the last Committee meeting, five new audit reports (4 PS and 1 CoC) have been submitted to ASI Secretariat for oversight assessment (bringing the total to 17 reports since the launch). One was for a scope expansion to an existing certification.
 - One new certification announced since last Committee meeting with six still to be announced.

Committee Discussion:

- None.

f. elementAI Update

- Work in elementAI is continuing on the Member, Auditor and Secretariat Dashboards:
 - Full auditor reporting capability launched. Refinements with further automation and simplification ongoing.
 - Joint Venture Entities can now be managed in elementAI.
 - During 2018, discussions with several members and facilities highlighted the value of developing a consolidated policy on Joint Ventures under the ASI Certification program:
 - The ASI CEO and elementAI Manager developed the draft joint Ventures Policy, drawing on already published information in part. The ASI Legal Committee reviewed it in January 2018 and provided further input.
 - The JV Policy is with the ASI Board for approval

Committee Discussion:

- None.

g. Member and Auditor Training Update [For Information]:

- Upcoming sessions for 2019:
 - April 8 in Montreal, Canada
 - Aluminium facility on April 9
 - April 24 in Aluminio near São Paulo, Brazil with an optional site tour of the CBA primary production sites on April 25
 - May 9 in Beijing, China
 - June 2-3 at the ASI AGM, Molde, Norway
- Additional training in Europe and China in October to November, dates and exact location TBD
- New examination process for auditors has been developed. Auditors required to complete the examination after the training, using an on-line proctoring service. There is a US\$32 charge per person per exam, which is paid directly to the proctoring service when booking. The new online examination process has been introduced to:
 - Provide consistency between examinations for in-person and online training participants
 - Provide flexibility for exam scheduling for individual auditors
 - Align with quality control systems being implemented by organisations such as APSCA (Association for Professional Social Compliance Auditors).
- A new *Fundamental* webinar “Path to ASI Certification” has been recorded and published on the ASI website and the ASI YouTube channel:
<https://www.youtube.com/watch?v=XCJ4qAQtUIO>

Committee Discussion:

- None.

3. Standards Committee 2018 Work Program Update:

a. ASI Monitoring and Evaluation Plan [For Information and action] – Reviewed and discuss changes in Draft 8 (15 Nov 2018) of ASI’s Monitoring and Evaluation Plan and ASI M&E Indicators List and Details (9 Nov 2018, Excel), as circulated for discussion.

- Steps moving forward are:
 1. Committee to discuss changes in the circulated draft (green highlights, this meeting). These all relate to the Long Term Goal B:
Sustainability and human rights principles are increasingly embedded in aluminium production, use and recycling.
 2. Working Groups and IPAF to comment on their respective indicators / areas for further discussion (yellow highlights)
 3. Comments / feedback arising from the WG & IPAF to be presented at the next Committee meeting (April 2019)
 4. Finalisation of the ASI M&E Plan at the next Committee meeting (April 2019)
 5. Develop detailed protocols to support the quality, reliability and accuracy of data used for monitoring and evaluation (to address ISEAL Impacts Code 8.4).
 6. Updates to the elementAI Secretariat dashboard to implement internal protocols and reporting functions.
 7. Implementation of the M&E Plan and Indicator protocols, including data collection cycles, studies and analyses for public reporting.
 8. Regular review of the M&E Plan, as required.
- Indicators are differentiated in accordance with the ISEAL data pyramid as follows:
 - Level 1 (monitoring): monitoring data from all certified entities through existing ASI processes (including elementAI)

- Level 2 (sampled monitoring): monitoring data from a sample of certified entities and stakeholders commencing from
- Level 3 (in-depth evaluations): in-depth studies to support evaluation of outcomes
- Indicators to be collected:
 - Collected through membership / *elementAI*
 - Collected through audit reports for all certified entities, as applicable (*elementAI*)
 - Collected via annual reporting by all certified entities, as applicable, by July 1 of each year
 - Collected through claims approvals process (*elementAI*)
 - Public domain information / partnerships / surveys
 - Collected through annual reporting from members via *elementAI*
- Indicators have been developed with consideration to:
 - Is the indicator critical for the ASI Theory of Change?
 - Is it possible to collect this data in a cost effective way?
 - Is the data likely to be reliable?
 - Can the data be reported in aggregate and be meaningful?
- Draft M&E Plan has been circulated for comments. The following feedback and comments received for discussion:
- Changes for discussion summarised below:
 - Added the following five new biodiversity indicators as suggested by IUCN, Chimbo and WWF:
 - Level 2/3 #XII: Number of operational sites (and related infrastructure) that are owned, leased, managed in or have influence on protected areas
 - Level 2/3 #XIII: Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
 - Level 2/3 #XIV: Surface and number of habitats protected or restored
 - Level 2/3 #V: Gain of loss (if possible, in monetary terms) of ecosystem services.
 - Level 2/3 #VI: Surface and number of nature compensation projects compare to surface or number of populations lost.
 - A reference link to GRI EN11 to EN 14 for details of how to collect and report on these indicators has been added.
 - Comments received about the Human Rights related sections and indicators including reworded description of goal B4 (Practices that implement business' responsibility to respect human rights), reference to SDG 16 (Anti-corruption) and SDG 9 (Industry, Innovation and Infrastructure) against relevant indicators. New indicators for discussion:
 - Level 1 #23: Nature of non-conformances relating to Freedom of Association/Right to Collective Bargaining.
 - Level 2/3 #XIX: Case study/ies of gender in the aluminium industry.
- Feedback was also sought on waste management indicator:
 - Level 2/3 #IX: Outcome evaluation study on reduction of bauxite residue lagooning in collaboration with International Aluminium Institute.

Committee Discussion:

- The Secretariat confirmed that ASI refers to the use of biodiversity databases, such as IBAT, in the Guidance for the Performance Standard, and organised a

member webinar on the updated IBAT platform in 2018. The ongoing development of useful references and tools underpins the relevance of being able to periodically update the Guidance to refer to these.

- One member stated that the indicators for gender equality did not show how this could be clear indicators for improvement. Another member suggested that GRI includes indicators such as equal pay for men and women, and the number of women in senior roles. The Secretariat responded that case studies could give examples of qualitative outcomes that share good practices for peer learning, and that other indicators will also be explored and methodologies fleshed out in more detail.
- One member stated that indicators for biodiversity were being worked on as part of broader work on Science Based Targets. These will be shared with ASI and the Committee when they are available, hopefully in the next few months.
- Any additional comments on the M&E indicators should be sent in as soon as possible in order to allow the Secretariat time to incorporate comments into the final draft for the next meeting.

Action: The Committee to provide any final comments/feedback about the revised draft M&E Plan Indicators (draft 8), in advance of the next meeting with the aim to issue the Plan by early April 2019.

4. AOB, and closing remarks

- TBD / None raised by participants.

5. Next Committee teleconference – 9 April 2019 with aim to finalise the M&E Plan.

ASI Standards Committee Meeting Action Log Summary - (Open and from this meeting)

#	Meeting	Subject	Action	Assigned to:	Due Date	Status
145	16 Oct 2018	Human Rights Impact Assessment Guidance	The Human Rights Working Group to finalise the HRIA Guidance after clarifying the inclusion of job seekers from within the project area as rights holders, and the difference between the HRIA guidance and the IFC Performance Standards.	Human Rights WG	Revised to 31 March 2019	Open
146	16 Oct 2018	Revision of Guidance documents	The Secretariat to propose how the Guidance documents (and others) can be revised and reissued ahead of the next Standards revision cycle for the Standards.	Secretariat	Revised to 31 March 2019	Open
148	30 Jan 2018	M&E Plan	The Committee to provide any final comments/feedback about the revised draft M&E Plan Indicators (draft 8), in advance of the next meeting with the aim to issue the Plan by early April 2019	Standards Committee	31 March 2019	Open