ASI Standards Committee – Minutes – Teleconference

Date: 6 August 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)

Committee Members: Alexey Spirin (Rusal) Christophe Boussemart (Nespresso), Jean-Pierre Mean (Independent anti-corruption expert), Justus Kammueller (WWF), Stefan Rohrmus (Schueco), Steven Bater (EGA), Rolf Varis (IGORA).

ASI Secretariat: Sam Brumale, Krista West, Marieke van der Mijn.

Apologies: Catherine Athenes (Constellium), Catherine Munger (Rio Tinto), Karl Barth (BMW), Tina Björnestål (Tetra Pak), Giulia Carbone (IUCN), Gina Castelain (Wik Projects), Hugo Rainey (Wildlife Conservation Society), Jostein Soreide (Norsk Hydro), Justin Furness (Council for Aluminium in Building), Kendyl Salcito (NomoGaia), Marcel van der Velden (Arconic), Neill Wilkins (Institute for Human Rights and Business), Nicholas Barla (Odisha Indigenous Peoples Forum, India), Rosa Garcia Pineiro (Alcoa), second IPAF member (floating seat), Tina Björnestål (Tetra Pak), Tom Maddox (Fauna and Flora International).

Alternates: Andrew Grigg (Alcoa) for Rosa Garcia Pineiro (Alcoa), Janne Patak (BMW) for Karl Barth (BMW), Mark Annandale (University of Sunshine Coast) for IPAF members.

Proxies: Annemarie Goedmakers (Chimbo Foundation) for Giulia Carbone (IUCN).

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 7 June 2019 draft rev 1
3. Draft ASI Chain of Custody Working Group Terms of Reference
4. Draft agenda for in person ASI Standards Committee Meeting on 25-26 September 2019
5. Alternate Form [Word]
6. Proxy form for this meeting [Word]
7. PowerPoint presentation slides

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Resolve to formulate a Chain of Custody Working Group
3. Discuss the draft agenda for the in-person Standards Committee meeting on 25 -26 September 2019.

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. <u>RESOLVED</u> to accept minutes of previous meeting held on 7 June 2019 (*version 2*).
    e. One open action from previous meetings
        - Action 149: *Outcomes from the exercise to inform a code of conduct and role of Committee members for inclusion in the revised version of the ASI Governance Handbook.*
            – Work has commenced on Action #149 with the outcomes form the code of conduct exercise held at the previous meeting.

    <u>Committee Discussion:</u>
    - One member asked about the change in the previous minutes about the inclusion of a requirement for an Entity to inform Indigenous Peoples about ASI and IPAF. The Secretariat explained that this was a clarification of the wording for this matter remedied in the second draft.

2. **Standards Committee**
    a. **Accreditation and Certification Update [For Information]:**
        - Accreditations - ASI currently has 11 Accredited Auditor firms:
            – ASI currently has 11 Accredited Auditor firms operating in 84 countries.
            – Scope expansions for existing accredited audit firms continue to come in and be processed.
            – Initial round of annual reviews to maintain accreditation underway
            – First witness audit planned to occur in third quarter this year with another potential witness audit identified.
        - Certifications:
            – Over 30 certificates issued (24 PS and 7 CoC) with 10 in the pipeline.
            – Common issues and learnings arising from the oversight assessment continue to be captured for the revision cycles and training as appropriate.

    <u>Committee Discussion:</u>
    - One Standard Committee member asked what a witness audit is. The Secretariat explained that it is an 'in the field check' of the auditors that will originally be conducted by the Secretariat and will ultimately be run by experts independent from ASI to ensure auditors practise the ASI requirements outlines in the ASI Assurance Manual.
    - One Standard Committee member asked if there were auditors accredited to conduct ASI audits in Africa. The Secretariat confirmed that there are ASI Accredited Auditors able to audit in parts of Africa including Algeria, Ghana, Guinea, South Africa, Tanzania, Tunisia and Madagascar.
    - One Standard Committee member asked about the current turn around time for audit reports and the Secretariat responded that the average turnaround is 1 - 2 weeks from the report's submission to ASI. It was noted that there was a backlog of reports that occurred during and after the AGM but that the Secretariat has now caught up.

- One Standard Committee members asked if ASI is collecting information about the quantity and nature of ASI Chain of Custody Material there is. The Secretariat responded that this information is collected annually following the end of the previous calendar year as per the Chain of Custody Standard criterion 1.7 and other CoC indicators in the Monitoring & Evaluation Plan. The data will be reviewed and reported when there is enough aggregate information without jeopardizing individual member information. A Committee member further asked what information will be requested from members and the Secretariat responded that both ASI material inputs and outputs will have to be reported as per Criterion 1.7 of the CoC Standard and the CoC indicators in the Monitoring & Evaluation Plan.
- One member raised a concern that currently some members in some countries are only certifying mid or downstream part of the supply chain, for example in China, only foil manufacturers are ASI certified. The Secretariat responded that this is a risk for any geographic region as the supply chain for aluminium is global and not geographically constrained. Further, there is an expectation that all parts of a members supply chain activities are certified over time.

b. **Member and Auditor Training Update [For Information]:**
- Deep Dive Chain of Custody Workshop in China on 19-20 March 2019. Attended by more than 50 representatives of 30 companies
- Free Prior and Informed Consent (FPIC) webinar covering relevance to Indigenous people's criteria in ASI Standards was held with Equitable Origin and Resolve on key FPIC topics including:
    - FPIC in international law
    - FPIC in voluntary standards
    - FPIC Solutions Dialogue
    - Community insights

    The webinar was recorded and can be heard via the link below:
    https://www.youtube.com/watch?v=Eo6lNjbc900&feature=youtu.be
- Upcoming sessions for 2019:
    - Human Rights and Due Diligence webinar in mid-September is currently being planned.
    - Auditor information and calibration webinar scheduled for October /November. This will also cover the 2020 Standard revision cycle and topics that affect eh audit process.
    - Goal is for an overview of elementAl to be completed by yearend.
    - In-person members and auditors training in China will be held 2-4 December.

Committee Discussion:
- None.

c. **elementAl [For Information]:** Work continues to improve functionality of elementAl:
- Audit reports to be linked to multiple self-assessment for Certification Scopes where separate self assessments were prepared by the Entity

- Certification Scope expansions. Many Entities are opting to expand the scope of their existing certification. elementAl will soon be able to manage scope changes directly subject to approval from the ASI Secretariat to ensure:
  - Facilities and supply chain activities for the revised Certification Scope is correctly defined
  - Changes are noted (additions and case for removal)
  - Audit report is stand alone and the Public Headline Statements in the Summary Audit Reports reflect the aggregate Certification Scope, not just the change
  - Previously raised non-conformance will remain open unless the scope change audit can demonstrate their effective closure.
  - Any new non-conformances will be shown on the combined report (even if previously the criterion was in conformance)
  - Similar approach will be taken regarding Applicable and not Applicable criteria for the scope expansion

Committee Discussion:
- None.

d. Outcomes and Impacts Update [For Information]:
- ASI outcomes and impacts dashboard continues to be updated monthly; the latest update is from 25 July 2019. The dashboard is accessible via the ASI website: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/.
- In the process of developing a public dashboard which will replace the existing dashboard and will be updated automatically through elementAl. This will also enable people to pull membership and certification data themselves.
- Development of an integrated data collection platform for data not collected via membership applications, audits or through public domain. This includes:
  - Indicators in the in the Monitoring and Evaluation Plan
  - Data from the ASI Chain of Custody Standard criterion 1.7 a-g.
- ASI Secretariat is working with members on the development of *tranformationAl* stories of change.

Committee Discussion:
- One Standard Committee member stated that the current reporting does not address impacts attributed to ASI Certification and that the current dashboard information is general and about the ASI members rather than measurable sustainability impacts. The Secretariat replied that this is true as impacts are long term and as a new organizations ASI hasn't yet been able to measure impacts and thus right now ASI is focusing on the short-term outcomes. ASI is planning to measure impacts over time through the data to be collected and case studies as outlines in the ASI Monitoring and Evaluation Plan, which was only just issued in April this year.

e. ISEAL Update [For Information]:
- Independent evaluation of ASI against the ISEAL Standards Setting Code has commenced. This is a process required to achieve full ISEAL membership (by the end of 2019).
  - The independent evaluator is currently reviewing ASI's submission and initial report will be received on the 5th of August. The independent evaluation is scheduled to be finished by the 23rd of October when the final narrative report will be sent to the Membership Committee for their consideration.
- ISEAL presented its new membership structure at their AGM in The Hague in June 2019. The new membership structure includes two elements:
  - The learning community, which is open to standards and standards-like systems that meet certain criteria.
  - The compliance programme, which assesses adherence to ISEAL's Codes of Good Practice. This programme is exclusively available to the learning community. This recognition will include exclusive use of a distinct name and logo.
- The launch of the new membership structure is anticipated for mid-2020. Assuming that the independent evaluation of the Standard Setting Code will be successful, ASI will be a full ISEAL Member under the old membership model by then. ASI has a call the ISEAL Secretariat on 22 August to discuss the transition plan in more detail.

Committee Discussion:
- One Standard Committee member asked whether ISEAL is worth the effort. The Secretariat responded that there is a lot of credibility associated with ISEAL membership and demonstrable evidence of the benefits associated with implementation of the three ISEAL Codes of Good Practice (Standards Setting, Assurance and Impacts). There is also a lot of learning opportunities with other standards setting and certification organisations through this network. A second Standard Committee member echoed the value of ISEAL.

f. IPAF Update:
- The updated IPAF 2019 meeting report summarising the outcomes of the meeting held earlier this year is accessible via the ASI website: https://aluminium-stewardship.org/wp-content/uploads/2019/06/IPAF-2019-meeting-report_June2019_Final.pdf

Committee Discussion:
- None.

3. 2019 Committee Activities:
   a. Chain of Custody Working Group [For Information and action] – The Secretariat noted that it has received multiple requests in support of the establishment of a dedicated Chain of Custody Working Group (CoCWG). The CoCWG would initially provide support for the implementation of the current ASI Chain of Custody Standard, but also prepare for the 2020 Standard revision cycle. A draft Terms of Reference for A Chain of Custody Working Group is circulated for this teleconference meeting.

- Objectives for the Working Group to cover:
  - Discussion and recommendation of guidance to support the implementation of the ASI Chain of Custody Standard, including:
    - Supply chain due diligence and integration with emerging guidance such as the LME and OECD due diligence guidelines
    - Practical implementation and limitations of the mass balance model
    - CoC related Claims
    - Practical implementation guidance and examples for small to medium enterprises in all parts of the supply chain.
  - To review how the scope of the Chain of Custody Standard could be practically applied to commodity traders (bauxite, alumina and aluminium), as well as scrap collectors, which are currently excluded from ASI Certification.
  - Review ongoing benefits and limitations for ASI Market Credits system.
  - To suggest recommended changes to the Chain of Custody Standard and related guidance, for the 2020 revision cycle.
- Participants will be open to Standards Committee Members, other ASI Members and non-members.

Committee Discussion:
- Several Standard Committee members expressed support for the establishment of a CoCWG, noting that as the Chain of Custody Standard is implemented, there are complex problems that can benefit from such a WG. This includes matters for incorporating certification of commodity traders which are a significant component of the supply chain.
- Another member expressed also being in favour, especially on the need for harmonization with other emerging due diligence initiatives. This member expressed that this CoCWG should align with the work of the Harmonization and Benchmarking Working Group, confirmed by the Secretariat.

It was <u>RESOLVED</u> to establish an ASI Chain of Custody Working Group.

Action: *invitations to be issued to interested parties (members, non-members, specialities) to participate in the CoCWG.*

Action: *Final comments on the CoCWG Terms of Reference invited from the Standards Committee.*

b. In Person ASI Meetings 23 – 27 September 2019, Cambridge, UK [For Information and action]:
- Meeting to be hosted by Flora & Fauna International at The David Attenborough Building, Pembroke St, Cambridge CB2 3QZ, UK. Google maps link below:
  https://www.google.com/maps/search/The+David+Attenborough+Building,+Pembroke+St,+Cambridge+CB2+3QZ/@52.2037779,0.1183346,16.5z?hl=en

- Schedule as follows:
  – Monday 23 – Tuesday 24 September 2019 - Biodiversity and Ecosystem Services Working Group (2 days)
  – Wednesday 25 – Thursday 26 September 2019: Standards Committee Meeting (2 days)
  – Friday 27 September SBTi Project Workshop (WRI, 2-3 hours).
- For those that have not yet responded, please RSVP to the ASI Secretariat as soon as possible so that numbers can be set with our hosts and catering finalised. Transportation support for those attendees who qualify will be arranged once attendance is confirmed.

Committee Discussion:
- None.

c. **Standards Committee in Person Meeting [For Information and action] –** The draft agenda for the 2 day in-person SC Meeting (25 – 26 September 2019) was circulated. Agenda to allow for detailed discussion to cover priority topics identified during the Norway in-person meeting:
- ASI Performance Standard & Guidance
  – Biodiversity (no net loss; net positive outcome) and ecosystem services
  – Dealing with legacy sites with human rights abuses (log item 78)
  – Consideration of FPIC for different activities (log item 75)
  – Additional Guidance on what FPIC looks like (i.e. a community documented and agreed agreement) (log item 76)
  – Requiring Entities to inform Indigenous Peoples about ASI (log item 67)
- ASI Chain of Custody Standard & Guidance
  – How to address the gap of traders and scrap dealers in the supply chain (log item 82 & 106)
  – Expansion to include other related materials (e.g. nepheline, hydrate) (log item 54)
  – CoC Due diligence alignment with LME and OECD (log item 94)
  – Viability for reselling market credits (log item 89) in the next revision of the CoC Standard.
- ASI Assurance Manual
  – Requirements on engaging Indigenous Peoples during the audit (log items 68, 69, 70, 71, 72, 77, 63, 73, 74)
  – Advance notice to labour organizations (49)
  – Level of effort for different types of audits (Performance Standard, Material Stewardship, Chain of Custody, etc)
  – Discussion on applicability of Performance Standard for Production & transformation vs Industrial user Members.
- ASI Claims Guide
  – More examples about what can be said, supporting information for requesting on-product claims; and consequences for misleading claims.

- Representatives from the biodiversity and Ecosystem Services Working Group to be invited for related discuss (same as in Norway).
- It was acknowledged that some agenda topics may require more time than others so the agenda will be adapted in-situ, as appropriate.

Committee Discussion:
- One Standard Committee Member asked which of the topics will need real in-depth discussion as many of them could be discussed by the teleconference and others should go to the Standards Committee. The Secretariat responded that the topics listed are those that the Committee selected at the previous meeting held in Norway. However, it was noted that there were some topics that could be deferred to a teleconference meeting. The key topics for in-person meeting should include:
  - Biodiversity and ecosystem services
  - Human Rights and legacy issues
  - FPIC topics
  - Discussion about the nominated Chain of Custody topics to provide direction and questions for the CoCWG
  - Guidelines on notice of audits to Indigenous Peoples and labour organizations
- It was agreed that the discussion on Claims can be scheduled for a future teleconference meeting.
- One member suggested that we should add a conceptual discussion on ASI goals for priority topics where there is a desired high-level impact. This for example may be related to setting science-based targets for climate change and biodiversity. The Secretariat noted that the Theory of Change and Monitoring & Evaluation Plan contain long term goals and outcomes. Further the Principles in the Performance Standard set the context for the performance requirements in the criteria. A session to review these priority topics and Principles can be included for discussion at the September meeting.
- Some Committee members noted that more planned time was required for the biodiversity discussion. Other members reminded the group that there are two days of biodiversity discussion held by the Biodiversity & Ecosystems Working Group (BESWG) in advance of the Standard Committee meeting, and the importance of avoiding repeat discussions. This will be managed as there will be Committee members present at the WG meeting. The focus for the Committee discussion about biodiversity will be to review the outcomes from the BESWG and to provide a direction for changes in the lead up to the next revision cycle, rather than a technical debate.
- One member suggested moving the team exercise to later in the day and working it around one of the topics.
- One member asked about whether the smaller industry and CSO group of the BESWG will present their collaboration to the Committee. However, it was agreed that this smaller group present its position(s) to the broader BESWG first.
- The ASI Secretariat will review the September Committee agenda based on the above and further comments from other Committee members not present on the call, before finalising the agenda.

Action: *Final comments on the draft September Standards Committee agenda invited from the Standards Committee.*

4. **AOB, recap and reflections**
   a. Any other business:
      - One member asked whether progress had been made on setting baselines for measuring impact as noted in the Monitoring and Evaluation Plan. The Secretariat responded that for indicators where baselines could not be easily set, work is progressing to set up related studies.

5. **Next Committee in-person –** *25 - 26 September 2019*