

## ASI Standards Committee – Minutes – In-person meeting

**Date/Time:** Wednesday September 25 - Thursday September 26 2019, 9am – 5pm

**Location:** The David Attenborough Building, Pembroke St, Cambridge CB2 3QZ

### 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), Jostein Soreide (Norsk Hydro).

**Committee Members:** Alexey Spirin (Rusal), Catherine Athenes (Constellium), Christophe Boussemart (Nespresso), Justin Furness (Council for Aluminium in Building), Justus Kammüller (WWF), Giulia Carbone (IUCN), Hugo Rainey (Wildlife Conservation Society), Jean-Pierre Mean (Independent anti-corruption expert), Neill Wilkins (Institute for Human Rights and Business), Nicholas Barla (Odisha Indigenous Peoples Forum, India), Rolf Varis (IGORA), Rosa Garcia Piñeiro (Alcoa), Steven Bater (EGA), Tina Björnestål (Tetra Pak).

**ASI Secretariat:** Krista West, Marieke van der Mijn.

**Apologies:** Catherine Munger (Rio Tinto), Karl Barth (BMW), Kendyl Salcito (NomoGaia), IPAF second representative, Marcel van der Velden (Arconic), Sam Brumale (ASI), Stefan Rohrmus (Schueco), Tom Maddox (Fauna and Flora International).

**Alternates:** Anthony Tufour for Marcel van der Velden (Arconic), Theresia Ott for Catherine Munger (Rio Tinto).

**Proxies:** Justus Kammüller (WWF) for Stefan Rohrmus (Schueco), Neil Wilkins (Institute for Human Rights and Business) for Kendyl Salcito (NomoGaia).

**Invited:** Eugenie Regan (IBAT), Louis Biswane (KLIM, Suriname), Mark Annandale (University of Sunshine Coast), Miles Prosser (Australian Aluminium Council).

### Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 6 August 2019 v1
3. Summary of Post 2017 Launch Log of Suggestions and Comments revised 22Aug 2019 (Excel)
4. Summary of Public Headline Statement from published Summary Audit Reports (extracted from elementAI into excel)
5. Alternate Form [Word]
6. Proxy form for this meeting [Word]

## Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Begin discussion on key proposed changes for the ASI Standards, ASI Assurance Manual and the ASI Claims Guide for the 2020 Standards Revision Cycle

## Items discussed:

### 1. Preliminaries

- a. The Co-Chairs 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 6 August 2019 (version 1).**
  - All actions from previous meetings closed. One Action related to the development of the ASI Code of Conduct as part of the ASI Governance Handbook revision.
    - 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.*
    - The new ASI Code of Conduct (Chapter 7 of the recently Board approved, updated ASI Governance Handbook), was presented.

### Committee discussion:

- Questions on the second bullet point of item 1 (*Work for the net benefit of all stakeholders*) of the ASI Code of Conduct: *'we are prepared to accept consensus decisions that seek to balance the interests of all stakeholders.'* were raised including how it applies to decisions made by vote. Clarification was also sought what is meant by 'accept', one member stated that it meant that it meant one couldn't later publicly denounce decisions. The Secretariat to provide clarity at the next meeting.
- There was another question on the fifth bullet point of item 3 (*Uphold a professional meeting culture*) of the ASI Code of Conduct: *'Turning mobile phones off'*. The intent is to be present during the meeting.
- A final question related to what was meant with *'relevant'* in the first bullet point of item 4 (*Declare all relevant interests*): *'Behaving in a transparent manner by declaring all relevant interests.'* It was noted that this relates to something within someone's organization that presents them from having a consensus-based discussion.
- The Secretariat noted that future meetings will cover the relevant additions and changes made to the new version of the Governance Handbook and that ASI will also host webinar on the new ASI Code of Conduct similar to the approach for the Antitrust Compliance Policy.

**Action:** *Provide greater clarity on Item 1 in the Code of Conduct.*

### 2. Report from BESWG

- A status update from two-day in-person Biodiversity and Ecosystem Services Working Group meeting and discussions on September 23-24 was provided. The proposed content for the Performance Standard biodiversity related

criterion that was unanimously agreed to by the BESWG during their meeting was presented to the Standards Committee for feedback and comment.

#### Committee discussion

- It was explained that where relevant, cross reference to other parts of the Performance Standard (and Standards Guidance) will be done for related requirements to ensure consistency of language and terminology throughout the Standard.
- There was discussion on whether the no-go criteria should apply throughout the entire value chain, as recommended by the BESWG. Many participants felt that responsibility for biodiversity should be shared throughout the entire value chain. One member opposed this proposal and the discussed was deferred to a future meeting.
- There was discussion that associated infrastructure also needs to be included for no-go areas. For example, roads can also run through Protected Areas so this Criterion is relevant.
- There was a suggestion raised from one participant that the focus of the discussions should be on materiality and the scope of application should be included in the Standard. The level of materiality should be taken into consideration given the resources required to implement these requirements (in this case no-go for protected areas) for limited return when the materiality is low.
- It was agreed that the Standards Guidance should be the source of information on finding out what a Protected Area and where they are located.
- **The Committee accepted the recommendations (as presented in the powerpoint presentation) from the BESWG on ecosystem services, biodiversity management, protected and no-go areas, and rehabilitation, monitoring & reporting, subject to clarification of language, with the exception of extending the scope of protected area criterion throughout the supply chain. It was agreed that further discussion on the extension of the protected area criterion throughout the supply chain was needed.**

*Action: Schedule a webinar on the IBAT tool related to No Go Areas for auditors and members post-Standard approval.*

### 3,4 Discussion on Prioritised Performance Standard Revision Topics

#### a. Biodiversity & Ecosystems

- The IBAT Alliance provided a short presentation on the Integrated Biodiversity Assessment Tool (IBAT) during this discussion.

#### Committee discussion

- The following impacts were identified from the visioning exercise on Biodiversity (see item 10):

### 5. Discussion on Prioritised Performance Standard Revision Topics - FPIC

- The committee was given an update on IPAF and their proposals for consideration by ASI. These were also presented to the Board of Directors at their in-person meeting in Molde in June 2019.

a. Consideration of FPIC for different activities (log item 75)

Committee Discussion:

- There was a discussion on the ongoing evolution of the concept of FPIC and the current trend that FPIC should be proactive rather than reactive and should be an ongoing process. It was noted that the current Standard language is derived from IFC, which only finances new projects, and thus is a different context than certification.
- There was a discussion that there may be a need for a cut-off date for applicability of a legacy criteria, similar to how plantations are handled in FSC but that this would be dependent on the wording of the new Criterion.
- **The Committee agreed that the Secretariat should work with IPAF to draft a revised Criterion that incorporates a proactive, ongoing FPIC process.**

b. Additional Guidance on what FPIC looks like (i.e. a community documented and agreed agreement) (log item 76)

Committee Discussion:

- **The Committee agreed that the Secretariat should work with IPAF to draft a revised Criterion that incorporates a community agreed to and documented FPIC process.**

c. Requiring Entities to inform Indigenous Peoples about ASI (log item 67)

Committee Discussion:

- **The Committee agreed that the Secretariat should work with IPAF to draft a revised Criterion that requires Entities to inform Indigenous Peoples potentially impacted by a given project of the ASI Standard, the IPAF, the certification being sought and the ASI Dispute Resolution Process.**

d. Require companies to fully disclose the outcomes of the FPIC process (log item 166)

Committee Discussion:

- **The Committee agreed that the Secretariat should work with IPAF to draft a revised Criterion that requires Entities to publicly disclose the outcome of the FPIC process.**

## 6. Chairs Recap

## 7. Discussion on Prioritised Performance Standard Revision Topics

a. Dealing with legacy sites with human rights abuses (log item 78)

Committee Discussion

- There was a discussion around the scope of legacy issues and that they can include workers rights issues, health and safety issues (e.g. asbestos as a potential example from other industries) or environmental issues.
- There was a suggestion to develop a mechanism to encourage companies to make amends for historical wrongs, rather than a criterion that would likely result in a list of uncertifiable facilities. It was noted that this approach

would result in positive impacts from ASI certification in relation to legacy issues.

- There was agreement that companies that commit atrocities should not be able to simply rebrand or reorganise and then be certified, without making proper amends. Further, for acquisitions and mergers it is buyer beware and the new owner become responsible for legacy issues where committed by the previous owner/operator.
- The discussion identified parts of the Standard can address legacy issues with stronger wording and the removal of 'applicable to new projects only' clauses. The following were identified:
  - 2.5 Impact Assessments
  - 2.7 Mergers and Acquisitions
  - 9.1 Due diligence
- It was noted that perhaps a new Criterion on divestment and acquisitions relating to legacy issues needs to be included in the standard
- **The Committee agreed that the Secretariat should work with IPAF and the HRWG to draft a revised Criterion 2.5, 2.7 and 9.1, as well as potentially a new Criterion on divestments to address legacy issues.**

## 8. Discussion on ASI Priority Topics

- a. Consider whether labour right should be added as a priority issue (log item 40)

### Committee Discussion

- There was a discussion on the importance of potential human rights abuses globally and throughout the entire aluminium value chain.
- **The Committee agreed that the currently identified priority topic of "Gender" will be replaced with "Human Rights (especially gender and labour rights)".**

## 9. Workshop Exercise on ASI Priority Topics

## 10. Plenary on Workshop Exercise on ASI Priority Topics

- a. Plenary on visioning exercise

### Committee Discussion

Each group presented their thoughts on what the main impacts of ASI should be in each of the Priority Areas:

- **Biodiversity**

#### Group 1:

- That responsibly produced aluminium is valued. ASI received proper recognition from the customer, throughout the entire value chain that ASI Aluminium is valuable. i.e. there is a value for biodiversity.
- ASI is in the global consciousness so there is a level playing field.

#### Group 2:

- Define the global standard and create common understanding in the value chain.
- Show leadership: be recognized and acknowledged for what is done and increase transparency on what is not being well done.
- Within the global culture of distrust, we can be an example of where collaboration sharing and understanding and having real discussions can lead to real impact.

#### Group 3:

- Setting targets through scientific approaches rather than just minimizing negative impacts.
  - Influencing the whole industry...raises the level for everyone in aluminium and even outside this industry.
  - We get to the point when people understand that buying aluminium helps biodiversity.
- **Indigenous Peoples Rights**
    - There is inclusive empowerment in planning, decision-making and execution
    - IPs get more involved in benefit sharing on their land
    - Greater involvement in M&E, including access to the ASI reports that are relevant to their lands.
- **GHG**
    - Aluminium industry that is consistent with a 1.5 degree target
    - Sufficient demand for zero emission aluminium to drive demand, acknowledging that there will be increase use of aluminium in a 1.5 degree world:
      - i. Transparency in reporting GHG, an ASI can track GHG emissions through the supply chain and that a company has goals that are consistent with this
      - ii. Sufficient demand
      - iii. Government policy to support that through a transition (purchasing requirements and trade policy).
- **Waste**
    - Best practice sharing
    - Appropriate waste storage before processing (especially relative to dross)
    - Partnerships with nearby facilities that can process and use waste products.
- **Material Stewardship**
    - To move from current recycling to keep alloy or families of alloys properties (e.g. The 5000 series alloys remains within the 5000 series)
    - Zero waste/100% recycling pre and post consumer
    - Design for circular economy principles
    - Best practice sharing on recycling strategies – how do we get to 100%
    - Partnerships.
- **Human Rights (Labour and Gender)**
    - UNGPs: state duty to protect human rights, a corporate responsibility to respect human rights. Important to demonstrate there are processes below the policies to human rights objectives
    - Political engagement: what is the role of ASI and its members in advocacy to have an impact outside of ASI membership

- Gender needs to be examined - it isn't just about women, a vision for ASI to have outside consultant come in to do an audit to look for ways of our operation can enhance the way we operate, language that we use.

*Actions: The suggested impacts to be reviewed next meeting with a focus on what can be accomplished through Standard Revision.*

## 11. Discussion on Prioritised Assurance Manual Topics

### a. Format and content of public summary audit reports (log items 116, 165 and 7)

#### Committee discussion:

- There was a discussion on the content of ASI public reports. It was determined that the Assurance Manual had requirements for report content that wasn't always fully included in some of the public reports published to date.
- There was concern expressed about the hyperlinks within the reports sometimes being broken and solutions to this problem were sought, such as for example, some technical solution or including a company contact person.
- There was a discussion on the language of linked documents and it was confirmed that the ASI Governance Handbook does not require ASI members to publish documents in English.
- **It was agreed that ASI would explore technical options for maintaining the links in the reports and address this in the revised Assurance Manual**
- **It was agreed that the Assurance Manual would be revised to include two or three examples of public headline statements.**
- **It was agreed that the section of the Assurance Manual which described the public summary report content be revised to include the number of stakeholders/Indigenous Peoples contacted and interviewed.**
- **It was agreed that the Assurance Manual would NOT be revised to include suggested business improvements as part of the public summary report.**
- **It was agreed that ASI would reach out to the auditors to ascertain their comfort level with having their names shared on the public summary reports.**

*Action: Secretariat to follow up with data on who is accessing public summary report.*

*Action: Standard Committee members to submit examples of good public headline statements to the Secretariat within two weeks.*

### b. Requirements on engaging Indigenous Peoples during the audit – stakeholders approve auditors (log items 63)

- Explanation of existing wording, the suggestion for change and comments was given.

#### Committee Discussion:

- There was a discussion on the logistical difficulty in having stakeholders involved in choosing the auditors.
- There was a discussion about the safeguards in the ASI system for both accreditation and having independent qualified auditors for the scope of

the audit. There was consensus that the focus should be in accreditation and assurance if there are concerns about auditors.

- It was noted that this log item was brought up early in the implementation of the ASI system and may not be of on-going concern.
- **It was agreed that there was no need to review the Assurance Manual regarding the need to have auditors approved by external stakeholders.**

**b. Requirements on engaging Indigenous Peoples during the audit – Interview requirements and Desk vs. On-Site (log items 68, 69 and 1)**

- Explanation of existing wording, the suggestion for change and comments was given.

Committee Discussion:

- There was a discussion about needing to balance normative requirements for conducting interviews with situations where interviews may not be required in an audit.
- **It was agreed that the Assurance Manual would be revised to provide clarity on when interviews of Indigenous Peoples and Stakeholders were required.**
- **It was agreed that the Assurance Manual would be revised to provide further guidance on how these interviews should be conducted.**

**b. Requirements on engaging Indigenous Peoples during the audit – who to contact (log items 71, 72, 70 & 77)**

- Explanation of existing wording, the suggestion for change and comments was given.

Committee Discussion:

- **It was agreed that the Assurance Manual would be revised to provide clear guidance on who should be contacted (both Indigenous Peoples and others), with recognition that cultural and gender considerations should be taken into account.**

**b. Requirements on engaging Indigenous Peoples during the audit – Affected Communities validating report findings (log item 73)**

- Explanation of existing wording, the suggestion for change and comments was given.

Committee Discussion:

- **It was agreed that the Assurance Manual would NOT be revised to require that affected parties validate report findings.**

**b. Requirements on engaging Indigenous Peoples during the audit – Sharing report findings (log item 74)**

- Explanation of existing wording, the suggestion for change and comments was given.

Committee Discussion:

- **It was agreed that the Secretariat would explore with IPAF ways in which public summary reports can be shared with Indigenous Peoples.**



### c. Advance notice to Labour Organizations (log item 49)

- Explanation of existing wording, the suggestion for change and comments was given.

#### Committee Discussion:

- There was a discussion on the logistical problems of knowing which external organizations to contact.
- It was felt that previous discussions on the need to revise the Assurance Manual to clarify when stakeholders and Indigenous peoples should be interviewed would address this point.
- **It was agreed that the Assurance Manual would NOT be revised to require that specific organizations be given advance notice of the audit (excepting the previous agreement regarding IPAF) but that as agreed previously the Assurance Manual will be revised to provide greater guidance on the interview process, including when to contact stakeholders..**

### d. Audit Level of Effort (log items 56 and 61)

- Explanation of existing wording, the suggestion for change and comments was given.

#### Committee discussion:

- It was suggested that the Assurance system includes greater guidance on audit level of effort relative to the materiality and the risks linked to the geographical location (using international rating tools and the presence or not of strong environmental, governance and social legislation) and the nature of the activity.
- **It was agreed that the Assurance Manual would be revised to provide greater guidance on audit level of effort required for specific cases (i.e. PS versus CoC, where stakeholder/IP interviews are required etc.).**

### e. Discussion on applicability of Performance Standard for Production & transformation vs Industrial user Members (log item 59)

#### Committee discussion:

- There was a discussion on the external understanding about ASI certification to the lay person and that (despite the different logos) there is limited visibility or distinction between members that certify to full Performance Standard versus those who only do Section 4 Material Stewardship.
- There was a discussion about needing to create a level playing field.
- Labour rights was one area discussed. One member suggested to give the harmonization team the task to map/harmonize ASI coverage versus SMETA 4-Pillar and potentially other standards on the area of labour rights and business ethics.
- **It was agreed that the both Production and Transformation and Industrial Users should have the same requirements for certification at material conversion facilities.**
- Which sections/criteria should apply at material conversion and other manufacturing facilities needed further discussion.

## 12. Chairs Recap

---

- a. Actions by Committee Members:
  - See Action Log
- b. Actions by Secretariat
  - See Action Log
- c. Reflections
- d. Thank you
- e. Next Meeting: December 9<sup>th</sup>, time tbd

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

#	Meeting	Subject	Action	Assigned to:	Due Date	Status
149	7 June 2019	Code of Conduct	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	Secretariat	30 September 2019	Closed
153	25 – 26 Sept 2019	Code of Conduct	Clarity on Item 1 in the ASI Code of Conduct to be provided	Secretariat	09 December 2019	Open
154	25 – 26 Sept 2019	IBAT tool	Schedule a webinar on the IBAT tool related to No Go Areas for auditors and members post-Standard approval.	Secretariat	09 December 2019	Open
155	25 – 26 Sept 2019	Impacts Workshop Discussion	The suggested impacts to be reviewed next meeting with a focus on what can be accomplished through	Secretariat	09 December 2019	Open

#	Meeting	Subject	Action	Assigned to:	Due Date	Status
			Standard Revision.			
156	25 – 26 Sept 2019	Public Summary Audit Report	Secretariat to follow up with data on who is accessing public summary report.	Secretariat	09 December 2019	Open
157	25 – 26 Sept 2019	Public Summary Audit Report	Standard Committee members to submit examples of good public headline statements to the Secretariat within two weeks.	Secretariat	23 October 2019	Open