

## ASI Standards-Setting – Public System Report

July 2020

### Background

This Public System Report is designed to provide a simplified overview of the key aspects of our standards-setting system to stakeholders. If you have any questions, please contact us at [info@aluminium-stewardship.org](mailto:info@aluminium-stewardship.org).

### Standards

#### Scope

- ASI has 2 standards: the [Performance Standard](#) and the [Chain of Custody Standard](#). These are applicable to the whole aluminium value chain, including the following supply chain activities:
  - Bauxite mining, alumina refining, aluminium smelting, casthouses, semi-transformation, material conversion, and other manufacturing and sale of products containing aluminium
- The scope of ASI's application is global.
- Currently ASI has more than 120 members across industry and non-industry stakeholder groups. Of these, 40 are companies [which have achieved one or more ASI Certifications](#) in 32 countries.
- ASI aims to continue to grow membership and uptake of its standards throughout the value chain.

#### Sustainability outcomes

- The ASI Performance Standard addresses a wide range of sustainability issues in governance, environmental and social areas.
- Hotspot issues in the aluminium value chain are noted as:
  - Greenhouse gas emissions
  - Wastes such as bauxite residue, spent pot lining (SPL) and dross
  - Biodiversity management for bauxite mining
  - Indigenous peoples' rights
  - Material stewardship
  - Gender, as a cross-cutting issue.

#### Why is it needed

- Aluminium is the second most widely used metal in the world. More than 63 million tonnes of primary aluminium were produced globally in 2017, plus as much again is estimated to be generated through remelting of industrial scrap and recycling of end-of-life products. Aluminium metal is produced from bauxite ore through three stages. First the bauxite is mined (approximately 300 million tonnes globally in 2017). The bauxite then goes through a refining process to create alumina (approximately 126 million tonnes globally in 2017). Finally, the alumina, a white powder, is then the key input to create molten aluminium through an energy-intensive smelting process.
- Once in metallic form, aluminium is increasingly used in a wide range of sectors such as transport (automotive and aerospace), building and construction, packaging, consumer durables, energy distribution and generation, and general engineering. Often the sustainability benefits of aluminium in such products, such as its light weight, recyclability, thermal properties and long life through corrosion resistance, are identified as key material properties.
- ASI's standards aim to ensure that the production, sourcing and stewardship of aluminium through the value chain aligns with the intended sustainability benefits of aluminium's use. ASI is the first standards and certification program launched to address overall sustainability in supply chains for

any large-volume industrial metal. The standards cover the whole supply chain and both primary (from mining) and secondary (from recycling) production.

### Performance level

- ASI's standards are supply chain standards that are designed to set out good practice requirements for a range of common and supply-chain specific activities.
- Requirements are mainly framed in management system terms, with some specific performance requirements on key topics.
- Continual improvement is a core principle for ASI. For full certification for 3 years against ASI's Standards, only minor non-conformances are permitted and must be subject to a corrective action plan. Major non-conformances in non-critical areas can result in a 'provisional' certification for 1 year, subject to a corrective action plan that has been approved by the auditor. Effective resolution of all non-conformances must be verified by the auditor for a company to maintain its certification.

### Adaptations

- Both Standards have publicly available Guidance documents that provide implementation suggestions that in some cases are tailored to specific parts of the supply chain, the size of the business, or the regulatory context.
- The [ASI Assurance Manual](#) and online assurance platform, *elementAI*, (which is used by ASI members and accredited auditors) list standards that are formally recognised as equivalent to particular criteria in ASI Standards.
- ASI also has an online webinar program, *educationAI*, which is rolling out training and education to support effective implementation of ASI's standards. The program has three levels – 'fundamental' (core overview of the ASI's standards and assurance program), 'inspirational' (deeper dives into key topics) and 'conversational' (perspectives and experiences from members and stakeholders. Watch an overview video [here](#).

## Standard-Setting and Revision Process

### When the Standards were first written and by whom

- V1 of the ASI Performance Standard was developed by a multi-stakeholder Standards Setting Group convened by IUCN during 2012-2014, and published in December 2014.
- ASI was incorporated as a not-for-profit entity and registered charity in 2015. A multi-stakeholder governance model was established and adopted in ASI's definitive Constitution in 2016.
- V2 of the ASI Performance Standard and V1 of the Chain of Custody Standard were developed by a multi-stakeholder Standards Committee convened by ASI during 2016-2017 and published in December 2017.

### Standards Revision Process

- During 2020-2021, ASI will be conducting a [Standards Revision](#) to review all of the above 6 ASI Documents. The revision will provide the opportunity to clarify and improve ASI's certification program based on:
  - implementation experience and identified improvement areas,
  - stakeholder feedback and evolving expectations, and
  - good practice approaches in certification programs and data governance.
- The revised ASI Documents are anticipated to be finalised by December 2021.
- The scope, process and timelines for the Standards Revision Process are outlined in a Terms of Reference.

### Summary of the development/revision process

- Stakeholders have the opportunity to participate in consultations about ASI's standards in 2020-21 via:
  - Online webinars (live and recorded)
  - Submitting comments via comment forms

- Participating in a consultation session during ASI's Annual General Meetings (China, travel support provided to civil society members, pending status of global travel restrictions under Covid-19)
- For Indigenous communities, participate in regional, Indigenous-led feedback forums and the Indigenous Peoples Advisory Forum meeting (pending status of global travel restrictions under Covid-19)

### Stakeholder categorization and geography

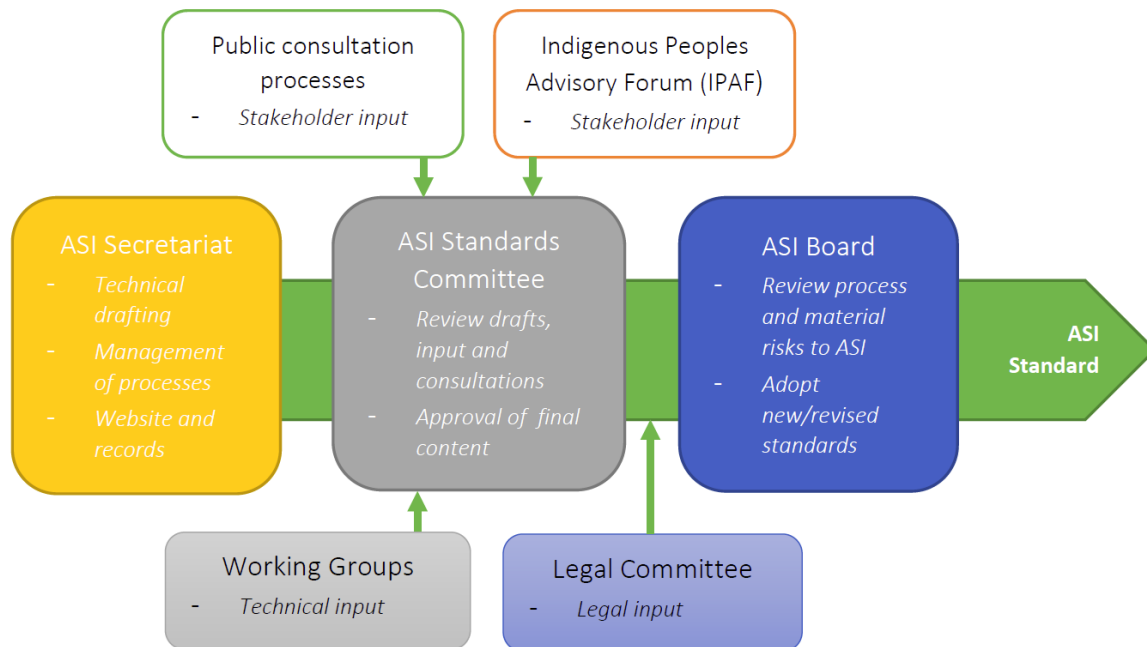
- The following stakeholders are identified in ASI's consultation plan:
  - ASI Members in every membership class (Production and Transformation, Industrial Users, Downstream Supporters, Civil Society, Associations and General Supporters)
  - Indigenous Peoples, including through the [ASI Indigenous Peoples Advisory Forum](#)
  - Other users, producers and recyclers of aluminium
  - Other civil society organisations, associations and technical experts
  - Aluminium traders and market analysts
  - Aluminium scrap collectors
  - Small businesses
  - Governments and regulators
  - All stakeholders with an interest in the aluminium value chain.
  - Other standards, schemes and initiatives with an interest in ASI Standards
- Key geographies where aluminium is produced and used include: Australia, Brazil, Canada, China, Europe, Guinea, Gulf countries, Malaysia, India, UK and USA.
- French & Chinese translations of the draft Standards will be made available during the consultation.

### Governance

- The [ASI Standards Committee](#) has the responsibility to agree the content of standards, and is comprised of up to 24 individuals with the following breakdown:
  - Up to 6 elected representatives of 'Production and Transformation' – upstream companies
  - Up to 6 elected representatives of 'Industrial Users' – downstream companies
  - Up to 10 elected representatives of 'Civil Society' – NGO members and an independent expert on anti-corruption
  - Two representatives nominated by the Indigenous Peoples Advisory Forum
- The work of the Standards Committee is supported by a number of Working Groups, with participation open to all interested stakeholders. Currently there are [active Working Groups](#) in the following areas:
  - Benchmarking and Harmonisation
  - Biodiversity and Ecosystem Services
  - Chain of Custody
  - Greenhouse Gas Emissions
  - Human Rights
  - Material Stewardship and Recycling
- The [ASI Board](#) has the responsibility (among other matters) to formally adopt Standards approved by the Standards Committee, based on a review of material risks, including competition law compliance. The Board is comprised of 8 individuals with the following breakdown:
  - Two elected representatives of 'Production and Transformation' – upstream companies
  - Two elected representatives of 'Industrial Users' – downstream companies
  - Two elected representatives of 'Civil Society' – NGO members and an independent expert on anti-corruption
  - Two independent Directors selected on a skills-basis
- This overall structure aims to provide layers of both stakeholder and technical input and creates a balance of industry and non-industry interests in ASI's governance.

## Decision-making process

- The [ASI Governance Handbook](#) sets out the organisation's governance and decision-making models. An [overview webinar](#) is also publicly available.
- The figure below illustrates the key bodies and processes that contribute to the development and finalisation of a new or revised ASI Standard.



- The Standards Committee and Board takes decisions wherever possible by consensus, where consensus is defined as the absence of sustained opposition but does not require unanimity. Where consensus is not possible, procedures for decisions by majority vote are set out in the Governance Handbook.
- A quorum is required for decisions of the Standards Committee of half (rounded up if necessary) of Standards Committee members present in person, or by appointed alternate or proxy. The Board's quorum is half (rounded up if necessary) of Directors present in person or by proxy.

## Review and Revision process

- The ordinary revision timetable for ASI Standards is 5 years, or earlier as required. We welcome suggestions, feedback and comments on our standards at any time from any interested stakeholder, as well as participation in ongoing Working Groups. Please contact us at [info@aluminium-stewardship.org](mailto:info@aluminium-stewardship.org)
- ASI's Monitoring & Evaluation Plan was approved by the Standards Committee in April 2019 and sets out the key issues ASI aims to address, the long term goals, desired impacts, expected outcomes and strategies, plus indicators for data collection.
- Any stakeholder which has a concern or complaint about ASI's program or processes is encouraged to let us know. The [ASI Complaints Mechanism](#) aims to ensure the fair, timely and objective resolution of complaints relating to ASI's standards setting processes, certification program, auditor conduct and ASI policies and procedures. It serves as an important part of the overall ASI governance model, allowing stakeholders to raise issues of concern and have these investigated and addressed as appropriate. The complaints procedure does not replace or limit access to judicial remedies.