

ASI Standards Committee

Teleconference Minutes

24 March 2021

Antitrust Compliance Policy

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 a Competition 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.



Acknowledgement of Indigenous People

ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our members operate. We aim to respect cultural heritage, customs and beliefs of all Indigenous people and we pay our respects to elders past, present and emerging.



ASI Ways of Working



ASI is a multi- stakeholder organisation. Dialogue is at the heart of everything we do. It is critical to ensure that the organisation delivers on its mission. We welcome all participants and value the diversity of backgrounds, views and opinions represented in this meeting. We recognise that we have different opinions; that is the heart of healthy debate and leads to better outcomes. To ensure our meetings are successful, we need to express our views and hear the views of others in a respectful and professional way, protecting the dignity and safety of all participants and enabling full participation from all attendees.

Agenda

	Topic		Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions h. Progress/Status Update	Chair
2	SC Concerns Raised to the Board in 2020		ASI
3	Scope for Commissioned Studies		
4	Additional Context		
5	Prioritisation		
4	a. Agreed upon actions for Committee members	b. Agreed upon actions for the Secretariat c. Close	Chair

1a,b Welcome, Introduction & Apologies

a) Welcome

b) **Chair:** Kendyl Salcito (Nomogaia)

Attendees: Abu Karimu (Settle Ghana), Alexander Leutwiler (Nespresso), Annemarie Goedmakers (Chimbo), Anthony Tufour (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Giulia Carbone (IUCN), Hugo Rainey (WCS), Jessica Sanderson (Novelis), Rafael Hammer (Ronal Group), Marcel Pfitzer (Daimler), Rosa Garcia Pineiro (Alcoa), Steinunn Steinson (Nordural), Tina Bjornestal (Tetra Pak).

ASI: Cameron Jones, Camille Le Dornat, Krista West, Marieke van der Mijn, Thad Mermer

Apologies: Abdoul Khalighni Diallo (University of Wageningen), Gina Castelain (IPAF), Justus Kammüller (WWF), Jostein Søreide (Hydro), Louis Biswane (KLIM), Marcel Pfitzer (Daimler), Mark Annandale (University of Sunshine Coast), Neill Wilkins (IHRB), Nicholas Barla (IPAF), Samir Whitaker (FFI), Stefan Rohrmus (Schueco).

Invitees: Mark Annandale (University of Sunshine Coast), IPAF Support

1c,d Objectives & Documents Circulated

c) Objectives

1. Adopt minutes of the previous meeting
2. Provide input on scope of studies on key topics/consistency

d) Documents Circulated

1. ASI SC Teleconference 24Mar21
2. ASI SC Teleconference Minutes 21Jan21
3. Certificates as of February 24 2021 – PS - PS(MS) - CoC
4. ASI - SCMemberApptProxyForm 24Mar21
5. ASI –SCMemberAlternateForm 24Mar21
6. Public Summary Reports as of Sept 16 2019

1e,f Previous Minutes & Conflicts of Interest/Duty

e) Approval of Previous meeting minutes draft: 21 January 2021 Minutes will be published on the ASI website.

Minutes of 21 January 2021 were approved.

e) Conflicts of Interest/Duty - Disclosure sent with meeting package

1g Log of Actions

g) Log of Meeting Actions open or closed since last meeting.

None



1g Progress/Status Update

Month	Secretariat Focus	Standards Committee Focus
March-April	<ul style="list-style-type: none"> • Verifiers/indicators/benchmarking • Consultations webinars • Translations • Logging items and beginning revisions • SHBWG Meeting 	<ul style="list-style-type: none"> • 24Mar – External studies into key topics / audit consistency
May	<ul style="list-style-type: none"> • Oversight of external studies into key topics / audit consistency • GHGWG meetings (2) • BEWSG meeting • Other WG meetings as needed 	<ul style="list-style-type: none"> • 05May – results of governance survey -prioritize revisions work • 18May – Downstream impacts (applicability, market credits and pre-consumer scrap)*
June	<ul style="list-style-type: none"> • Oversight of external studies into key topics / audit consistency • Active revisions • GHGWG meeting • BESWG meeting • Other WG meetings as needed 	<ul style="list-style-type: none"> • 02June – approvals on topics not going through a working group • 16June – Biodiversity and Ecosystem Services*

* exact schedule/topics to be discussed in 05May21 meeting

1g Progress/Status Update

Month	Secretariat Focus	Standards Committee Focus
July	<ul style="list-style-type: none"> • Oversight of external studies into key topics / audit consistency • Active revisions • Legal review & translations 	<ul style="list-style-type: none"> • 07July – GHG* • 21July – Approval of Documents for Consultation
August	<ul style="list-style-type: none"> • Legal review & translations • Summer leave 	<ul style="list-style-type: none"> • Summer leave
September	<ul style="list-style-type: none"> • Logging items and beginning revisions 	
October - December	<ul style="list-style-type: none"> • Final round of revisions and approval of final versions of ASI Documents 	<ul style="list-style-type: none"> • Planning for 3-4 meetings with all decisions made by mid December
January - February	<ul style="list-style-type: none"> • Legal review & translations • Updating and Developing Training • Board Approval • Launch end of February 	

* exact schedule/topics to be discussed in 05May21 meeting

2 Discussion

- It was stated that this was a good plan for the year ahead.
- It was asked how the consultation comments would be processed. The Secretariat answered that all feedback received during consultation would be logged in an Excel spreadsheet and that items which were more editorial in nature would be made in the current consultation drafts and tracked in a new colour for the Standards Committee (SC) approval. Items which required discussion would be prioritised by the SC and addressed over the May-July period.
- It was suggested that ASI sends out a reminder regarding the consultation period through social media in the second week of April. One member agreed to forward the reminder notice.
- **ACTION: ASI to send out a reminder notice of the consultation in second week of April.**
- It was asked if the invitations to the Biodiversity and Ecosystems Services Working Group (BESWG) had been sent out yet. It was answered that they had not but they would be shortly.
- It was asked if the GHG decisions of the SC had been moved from June to July. It was answered that this had possibly changed between iterations of the schedule and that the schedule from May – July was only tentative at this point and that the final schedule would be decided at the 05May21 SC meeting.

2 Concerns Raised to Board in 2020

Proposal outlined by the Standards Committee in 22Sept2020 letter to the ASI Board:

- External review of audits
- Establishing indicators and verifiers
- New framework for benchmarking the consistency of Standards implementation by 2022, for incorporation into the Standards, Assurance Manual and Guidance

Board response to SC October 2020:

- *Data and analysis on audit implementation and inconsistencies:* The Board allocated AUD 120k in the 2021 budget for external studies on these questions, with the SC to provide input on priority topics/scopes and the Secretariat to commission the work.
- *Development of a benchmarking framework:* The Board wasn't clear on what request was being made, but believes this most likely falls within the existing M&E program which may address these concerns or could be adapted to do so.

2 Discussion

- It was stated that the SC has asked many times for a baseline and that ASI currently only reports on what ASI is doing (i.e. how many members there are, how many certificates there are, etc.) and not what the actual impacts are. It was stated that what is most critical for stakeholders and members is the impact of ASI. The Secretariat responded for many level 1 indicators the baseline was zero but for other indicators a more in-depth study would be needed to determine a baseline.
- It was stated that this was not an adequate answer and that it was essential to differentiate between ASI and non-ASI facilities; that it was critical that we achieve something at ASI. It was stated that ASI has promised to deliver baseline data many times, going back many years.
- The Secretariat responded that the baseline being asked for is very difficult to collect as companies would have to report information as soon as becoming ASI members; that we would need to collect a lot of data on companies' performance *before* they join ASI and that the ASI system was not set up to do this, plus that there are very few incentives for companies to do so. It was stated that how ASI measures impact is complex as we have to account for attribution.

2 Discussion

- The Secretariat stated that Level 1 data was housed in elementAI, Level 2 data is acquired through surveys and questionnaires, and Level 3 data outcome and impact evaluations.
- It was stated that whatever level of reporting is fine but that if ASI cannot deliver on demonstrating impact and outcomes it should not have such an exaggerated 'Theory of Change'; that exaggerating the 'Theory of Change' does not go beyond being a public relations exercise.
- It was stated that the GHG study still did not answer all the questions.
- The Secretariat stated that implementing the M&E program is occurring over time but that the focus of today's discussion was what could be done with the funding provided by the Board to address the concerns raised by the Standards Committee.
- It was stated that M&E is an ongoing and iterative process.
- It was stated that it was felt that the GHG study added some real value.
- **ACTION: The Secretariat to ensure that there is time to be dedicated to discussing the Theory of Change and M&E program post-revision.**
- It was stated that the opportunities today with the funding designated in response to the SC concerns were to:
 - Standardize the 'bar' for implementation
 - Establish where folks are missing the 'bar' altogetherand that there were were opportunities to align with M&E.

2 Discussion

- It was stated that it was also important to:
 - Identify opportunities for minimum levels of evidence that must be provided
 - Ensure there are no 'loop-holes' in implementation
 - Identify verifier topics so that things are not left to the operator.
- The Secretariat added that it sounds like this is potentially referring to things which the SC means to be normative and in those cases they must be included in the Criteria.
- It was stated that one easily achievable way to show impact is to show the increase in CoC Material available over time. The Secretariat responded that this data is available on the ASI website in the form of a Sankey diagram that was developed in collaboration with IAI. A link was provided to the group in the chat:
<https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/asi-coc-material-flow/>

3 Scope for Commissioned Studies



High level review
of many / all
criteria



In-depth review
of some criteria



3 Scope for Commissioned Studies

- The GHG Study commissioned last year by ASI was approximately \$30k AUD.
- Budget allocated by the Board for this work in 2021 is \$120k AUD.
- As per Board response, Standards Committee is invited to prioritize topics of interest and the Secretariat will pursue commissioning studies.
 - Actual studies commissioned will depend on availability of consultants and projected cost of each project
- Recommend SC consider prioritizing studies across environment, social and governance topics
- Potential scope for commissioned studies:
 - Entities consistency in meeting criteria requirements by reviewing publicly available information
 - Auditors consistency in assessment of conformance by reviewing public summary reports
- Questions to answer today:
 - ✓ Are we looking at a high level at many criteria or in-depth at a few?
 - ✓ What questions are we hoping to answer through these studies?

4 Additional Context

- ASI continues to implement the ASI Monitoring & Evaluation Plan with additional new reporting being done on M&E Indicators in 2021
- Where there is alignment between the projects identified in this process and the M&E Plan the Secretariat would strive to align the objectives of the two
- The first iteration of the Public Dashboard in elementAI is scheduled to be launched in April – will enhance access to and comparability of Certification data currently published in PDFs, and include metrics.
 - Will continue to be built over time.



5 Prioritisation

Consideration for Prioritisation:

- In the next three slides there are suggested topics for a deep dive (if that is the agreed upon direction).
- Methodology to arrive at these suggestions was to look at:
 - Topics which were flagged by individual SC members as having findings which raised a concern, as interpreted by the Secretariat – Columns **SC** on next slide
 - Topics which have a **Public Disclosure** component
 - Topics where **Significant Changes** have been proposed in the current revision draft
 - Topics where there are significant ESG **Potential Impacts**
- Please note that the 'X' indications were somewhat arbitrary and meant simply as a means to try and present information concisely for discussion rather than an in-depth analysis.

2 Discussion

- It was stated that there is an inherent tendency for interest in the environmental aspects of the Standard as there are some real challenges there, however there needs to be some focus on the social aspects as well.
- It was stated that a large degree of inconsistency has been noted in the public headline statements of the social findings.
- It was stated that perhaps the environmental aspects of the Standard lent themselves to a ‘deep dive’ type of study whereas the social criteria were dealt with at a ‘higher level’ of consistency.

5 Prioritisation

Environmental	SC	Public Disclosure	Significant Changes	Potential Impact
2.5 Impact Assessments (also social)	X		X	
6.1/6.2 Emissions to Air/Discharges to Water	X	X		
6.4 Reporting of Spills	X	X		
6.5 Waste Management and Reporting	X	X		
6.6 Bauxite Residue				X
6.7 SPL				X
7.1/7.2 Water Assessment & Management	X			X
8.1/8.2 Biodiversity Assessment and Management		X	X	X
8.5 Alien Species				X
8.5 Mine Rehabilitation			X	X

2 Discussion

- It was stated that Criteria 8.1/8.2 on biodiversity assessment and management would be worth exploring in-depth, especially for mines.
- It was stated that for Criteria 7.1/8.1, it would be interesting to look at what has been done in areas of influence, as this is a critical concept for these Criteria.
- It was asked, especially for the Criteria where there isn't a requirement for public disclosure, if it would be possible that the consultants conducting the studies review the full detailed audit reports. Another member added that perhaps because there have not been any witness audits conducted, this could justify the request. The Secretariat responded that permission from companies would be required but this possibility could be explored.
- It was asked if only one Criterion could be explored or if similar Criteria could be combined. The Secretariat stated that it made sense to combine Criteria, so long as the studies could collectively be completed within the budget.
- It was stated that social impacts and environmental impacts were intertwined and could often be examined together.
- It was suggested that 8.1/8.2/8.5 could be combined and be part of the same discussion or study. Together they would give some indication of net positive benefit.
- It was suggested that 6.1/6.2/6.4/6.5/6.6 could also be combined.

2 Discussion

- It was suggested that 7.1/7.2 and 6.1/6.2 could be combined as the information generally comes from the same part of the organization. The Secretariat added that we would not be reaching out directly to companies for these studies.
- It was suggested that Criterion 2.5 could be examined alongside 8.1/8.2.
- It was suggested that for the Principle 8 Criteria we could look in depth at:
 - Area of Influence
 - Consideration of local populations
 - Reporting on 'original' flora/fauna
- It was stated that by looking at some critical components we could see if companies/auditors were getting it right. There was a discussion on the merits of looking at mining only versus looking at the entire supply chain. It was said that looking at the entire supply chain is ideal but that if resources were limited mining would be the priority.
- It was stated that findings should be broken down by geography, supply chain activities and location.
- The priority for areas to explore were:
 - Biodiversity (8.1/8.2/8.5)
 - Water (7.1/7.2)
 - Waste, specifically Bauxite Residue (6.6).

5 Prioritisation

Social	SC	Public Disclosure	Significant Changes	Potential Impact
9.1 Human Rights Due Diligence			X	X
9.2 Women's Rights			X	
9.4 FPIC			X	X
10.1 Freedom of Association and Right to Collective Bargaining			X	X
10.4 Non-Discrimination				
11.4 OH&S Performance				X

2 Discussion

- It was suggested that Criterion 9.1 on Human Rights Due Diligence would be important as it is the basis of everything else.
- It was suggested that OHS is a strength of the aluminium industry and wouldn't be the first choice for further study. It was asked if OHS is globally consistent, and it was agreed that it is perhaps weaker in some locations.
- It was stated that it was important to see if the social criteria were being evaluated differently by auditors as a review of the reports indicated, in some cases, conformance where there was no indication of conformance. The Secretariat said that many Certifications were harmonized with OHSAS or ISO and that often this was where there were findings of Conformance with little to no detail in the Public Headline Statement.
- It was stated that Criterion 9.1 would perhaps not be very telling as there are no internationally sound scoring systems for human rights (in order to provide a filter for identifying higher risk locations) and that there isn't good benchmarking on what constitutes good human rights due diligence.
- It was suggested that the Criterion on Indigenous Peoples rights and Free, Prior and Informed Consent (FPIC) would be useful to look at in more detail. It was said that how a company treats the most vulnerable is a good proxy for their due diligence performance overall.
- It was stated that presenting findings by geographic location was important.
- The priority for areas to explore were:
 - Indigenous Peoples (9.3/9.4)
 - Human Rights Due Diligence (9.1)

5 Prioritisation

Governance	SC	Public Disclosure	Significant Changes	Potential Impact
2.4 Responsible Sourcing	X			
2.6 Emergency Response Plan	X			X
2.7 Mergers and Acquisitions	X			
2.8 Closure, Decommissioning and Divestment	X		X	X
3.2 Non-compliance and Liabilities	X	X		X
3.3 Payments to Governments	X	X (mining only)		
3.4 Stakeholder Complaints, Grievances and Requests for Information	X	X		X

2 Discussion

- It was suggested that Criterion 2.8 on Closure was a critical one to the industry and would be a priority to do more study on.
- It was suggested to explore Criterion 2.4 as the reports to date gave a very broad spectrum of findings.
- It was suggested that Criterion 3.4 was also a priority, especially in terms of geographic differences and how often it is implemented.
- It was suggested that Criterion 2.7/2.8 would be a potential priority as, again, there was a broad spectrum of findings.
- It was suggested that 2.7/2.8 could be explored at a high level while perhaps 3.4 would be appropriate for a deeper dive.
- The priority for areas to explore were:
 - Complaints mechanisms (3.4)
 - Mergers and Closures (2.7/2.8)
 - Responsible Sourcing (2.4)
- It was asked why Criterion 3.3 has public disclosure only for mining. The Secretariat said that this was required by the Standard. It was asked that this be logged for discussion post-consultation.
- **ACTION: The Secretariat to log applicability of Criterion 3.3b for consideration and discussion post-consultation.**

5 Prioritisation

Material Stewardship	SC	Public Disclosure	Significant Changes	Potential Impact
4.1 Environmental Life Cycle	X	X		
4.2 Product Design	X			
4.4 Collection and Recycling of Products at End of Life	X			

2 Discussion

- The material stewardship Criteria were identified as a lower priority than the items identified on environment, social and governance in the previous slides.

5 Prioritisation

- Questions to answer today:
 - ✓ Which topics are identified as a priority as a deep dive for study?

6 Agreed Upon Actions & Close

- a. Agree any final post-meeting actions and timeframes by Committee members
- b. Agree actions by Secretariat
- c. Chairs and Secretariat thanks to all participants and close of meeting

Next Meetings:

- 06May21 – Governance survey, recycled content (proposal from CoCWG), prioritization for Revisions
- 18May21 – Impacts to downstream facilities (applicability, market credits and pre-consumer scrap)
- 02June – approvals on topics not going through a working group
- 16June – Biodiversity and Ecosystem Services
- 07July – GHG
- 21July – **Approval of Documents for Consultation**

2 Discussion

- The Secretariat will develop terms of reference (TOR) to capture the comments received today and will begin reaching out to consultants in the fields identified. The Secretariate will keep the SC updated as things progress and will share the TOR with the SC for their review and comment.
- It was asked if there had been any further progress on the plan to do a study in Guinea & Guinea-Bissau. The Secretariat responded that it had not progressed due to COVID-19.
- It was asked if the meeting on the learning from the Rio Tinto destruction of the Pilbara caves in Australia (Juukan Gorge) was still being planned. The Secretariat responded that there had been a meeting with Rio Tinto and notes shared with the SC.
- **ACTION: The Secretariat to follow up with Rio Tinto to schedule the planned follow-up call with the SC.**

Thank you