Aluminium Stewardship Initiative (ASI)
ISEAL Impacts Code – Public System Report
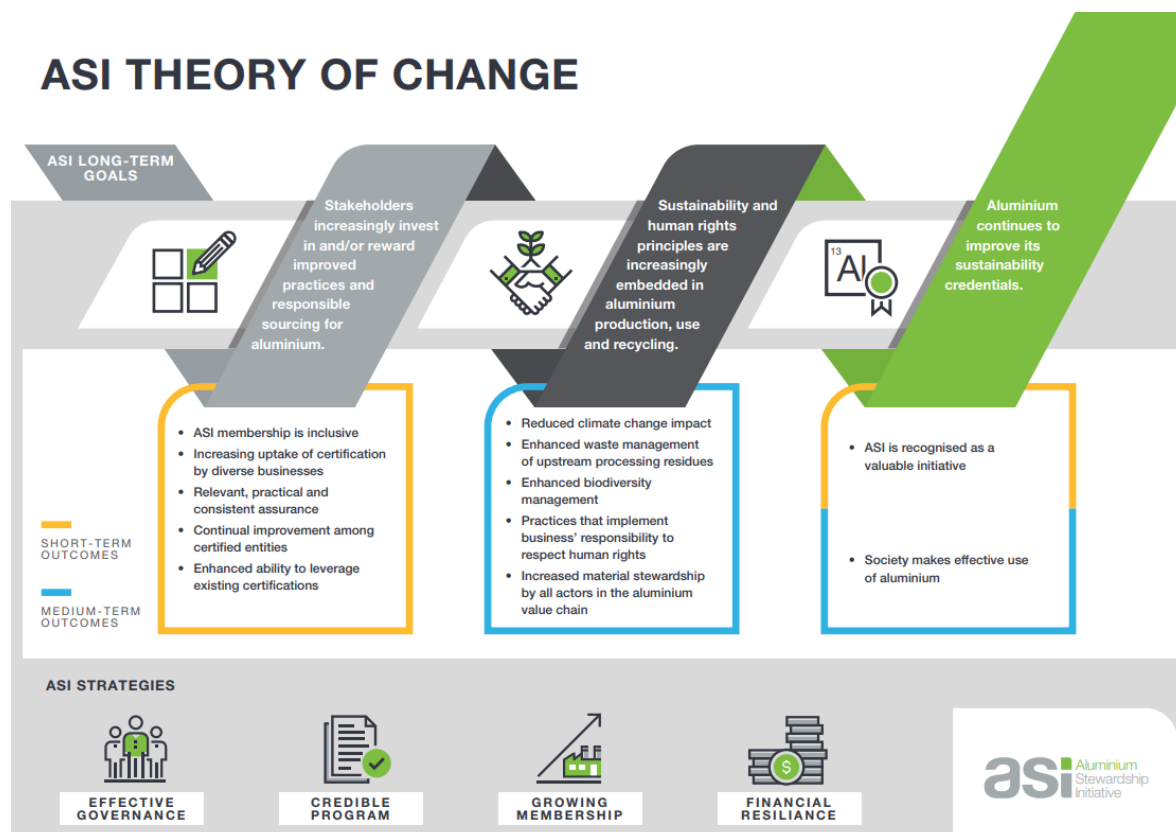*October 2021*

Background

This Public System Report is designed to provide a simplified overview of the key aspects of our monitoring and evaluation (M&E) system to stakeholders. If you have any comments, questions or complaints about the ASI M&E System, please contact ASI Director of Impacts Marieke van der Mijn at: marieke@aluminium-stewardship.org.

Scope and Boundaries of the M&E System

- ASI was incorporated in 2015 and developed its current models for Standards-Setting, Assurance and Impacts concurrently from the initial stages. This enabled an integrated approach to M&E system design.
- The ASI M&E system is focused on the change ASI hopes to achieve in the global aluminium value chain. It is designed to support stakeholder learning and organizational improvement over time.
- The scope of issues under the M&E system is aligned with key topics in the Performance Standard and Chain of Custody Standard as well as broader strategies for sectoral change. As ASI's certification program launched in December 2017, and implementation of the M&E system started in 2019, following at least one year of operation and a critical mass of certifications in place.
- ASI's M&E Plan is a dynamic document that was approved by the Standards Committee in April 2019. It sets out the key issues ASI aims to address, the long term goals, desired impacts, expected outcomes and strategies, plus indicators for data collection.
- These stem from the ASI Theory of Change, illustrated below:

ASI THEORY OF CHANGE

ASI LONG-TERM GOALS

- Stakeholders increasingly invest in and/or reward improved practices and responsible sourcing for aluminium.
- Sustainability and human rights principles are increasingly embedded in aluminium production, use and recycling.
- Aluminium continues to improve its sustainability credentials.

SHORT-TERM OUTCOMES
MEDIUM-TERM OUTCOMES

- ASI membership is inclusive
- Increasing uptake of certification by diverse businesses
- Relevant, practical and consistent assurance
- Continual improvement among certified entities
- Enhanced ability to leverage existing certifications

- Reduced climate change impact
- Enhanced waste management of upstream processing residues
- Enhanced biodiversity management
- Practices that implement business' responsibility to respect human rights
- Increased material stewardship by all actors in the aluminium value chain

- ASI is recognised as a valuable initiative
- Society makes effective use of aluminium

ASI STRATEGIES

- EFFECTIVE GOVERNANCE
- CREDIBLE PROGRAM
- GROWING MEMBERSHIP
- FINANCIAL RESILIANCE

Roles and Responsibilities

- ASI still has a small but growing Secretariat of approximately 19 FTE. The Director of Impacts and Partnerships, Marieke van der Mijn, is responsible for ASI's Monitoring and Evaluation program and Impacts team, which consists of a Qualitative Research Manager (Dr Penda Diallo) and Impacts Analyst (Klaudia Michalska). Director of Standards (Chris Bayliss) and Data Visualisation Developer (Roshan Bhuyan) are contributing to ASI's M&E System as well.
- The Impacts team works closely with all other members of the ASI Secretariat, including:
    - **ASI CEO:** working with the ASI Board on ASI's broader strategy and Theory of Change.
    - **Standards and Learning team:** working with the ASI Standards Committee and Working Groups on implementation of the M&E Plan. Integration of learnings into ASI's educational program for members and auditors. Contributing to data collection and analysis for annual reporting requirements in the ASI Standards, and visualization of data for M&E purposes.
    - **Assurance team:** development and updating of the online assurance platform, *elementAl,* which includes M&E data collection functionalities. Reviewing and collecting data from audit reports for M&E purposes.
    - **Membership & Administration team:** data collection and aggregation for some program-level indicators.
    - **Communications team:** communication of M&E program development, progress and findings.
    - **Beyond Certification team:** engagement with impacted communities, including IPAF.
- All staff have relevant and complementary professional backgrounds for these roles. A brief profile for each staff member can be found at: https://aluminium-stewardship.org/contact/.
- In 2021, ASI included a separate operating expenditure line for M&E in its budget of AUD120k. The M&E activities are estimated to constitute approximately 25% of team activities.

Cooperation and Coordination

- Since 2016, ASI has worked closely with Mark Annandale at the University of Sunshine Coast - Tropical Forests and People Research Centre in Australia since 2016 on a number of IPAF-related activities including, the annual meetings, co-ordination of IPAF discussions and information resources, and some research activities. The Centre's work in forests has strong intersections with the bauxite industry, including a range of major projects on sustainable livelihoods for Indigenous communities. Gulkula Mining Company became the first Indigenous owned and -operated mine to achieve ASI Performance Standard provisional certification in 2020, and the University of the Sunshine Coast published a case-study looking into their revolutionary mining model and outcomes of ASI certification: https://aluminium-stewardship.org/wp-content/uploads/2021/07/Gulkula-Case-Study_Final-4_20_21-1.pdf. In 2021, Mark joined ASI as IPAF Advisor, responsible for leading the development and activities of IPAF and other ASI projects related to Indigenous Peoples and affected communities connected with the aluminium value chain.
- In 2016, ASI signed a Memorandum of Understanding (MoU) with the International Aluminium Institute (IAI) on collaboration on data collection, modelling and analysis. IAI has been collecting data on key issues including greenhouse gas emissions, energy use, wastes and regional and global production figures for over 30 years. The IAI have also developed a global mass flow model and are collaborating with ASI to track ASI material within this model, once sufficient volumes can be tracked under the ASI Chain of Custody (CoC) Standard. Thirteen dual-Certified Entities reported 2019 CoC data. For 2020, 27 Entities reported data (more than double the previous year) with at least 5 reporters represented at each production stage: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/asi-coc-material-flow/
- In 2018, ASI signed a MoU with the Responsible Business Alliance (RBA) to work on areas of collaboration to support responsible sourcing practices and ongoing improvement in the environmental, social and governance performance of their respective members and/or supply chain partners.
- In 2019, The London Metal Exchange (LME) and the Aluminium Stewardship Initiative (ASI) developed an MoU to underpin collaboration on responsible aluminium value chains. Key areas of focus include the 2020-2022 ASI Standards Revision in light of LME's Responsible Sourcing initiative, the potential

use of ASI Certification, metrics and audits by LME, ASI M&E projects and other relationship-strengthening activities that can promote the shared values of both organisations.

- In 2020, ASI was successful in its application for an ISEAL Impulse Grant which is supported under the ISEAL Innovations Fund. The project is 'Global mass flow of aluminium and ASI Chain of Custody data – integrating and visualising data sets across two organisations' and involves collaboration with IAI on their mass flow model.
- In 2021, ASI signed a MoU with the CRU Group ('CRU'), a global mining, metals and fertiliser business intelligence company, on sharing sustainability data, expertise and analytical capacity. The first output under the MoU is an update to CRU's new Emissions Analysis Tool that calculates carbon footprint for primary aluminium production – currently at an asset level – for Scopes 1 and 2. The Tool's functionality now integrates ASI Performance Standard and Chain of Custody Standard certification status of bauxite, alumina and aluminium smelting assets. Additional data layers are being considered to be integrated as a next step. ASI continues to look for similar cooperative models with other organisations, as well as research partnerships with universities and other organisations. ASI has developed a webpage to provide an overview of our current and collaboration efforts, see: https://aluminium-stewardship.org/why-aluminium/collaborations/.
- In addition, ASI responds where it can to information requests from researchers, organisations and institutions carrying out benchmarking and other research into standards like ASI. This includes students at the PhD and Masters level.

Key Stakeholders for M&E

- There are a broad range of stakeholders interested in ASI's M&E program, which largely (but not completely) overlap with stakeholders for ASI Standards Setting processes.
- For both Standards Setting and M&E/Impacts, key stakeholders include:
  - ASI Members in every membership class (Production and Transformation, Industrial Users, Downstream Supporters, Civil Society, Associations and General Supporters)
  - Indigenous Peoples, including through the Indigenous Peoples Advisory Forum (IPAF)
  - Communities
  - Workers
  - Trade Unions
  - Other users, producers and recyclers of aluminium
  - Other civil society organisations, associations and technical experts
  - Aluminium traders and market analysts
  - Finance and investment sector
  - Small businesses
  - Governments and regulators
  - All stakeholders with an interest in the aluminium value chain.
  - The ISEAL Alliance and its members
  - Other standards systems and sustainability initiatives
  - Academic and research organisations and individuals
  - Benchmarking and reporting initiatives.

Defining the Intended Change

- As illustrated in the ASI Theory of Change (page 1) and described in the M&E Plan:
  - The intended long-term social, environmental or economic impacts are:
    - **Standards**: Sustainability and human rights principles are increasingly embedded in aluminium production, use and recycling. Key outcome areas are:
      - Reduced climate change impact
      - Enhanced waste management of upstream processing residues
      - Enhanced biodiversity management
      - Practices that implement business' responsibility to respect human rights
      - Increased material stewardship by all actors in the aluminium value chain.

- **Uptake**: Companies increasingly invest in and reward improved practices and responsible sourcing for aluminium.
- **Reputation**: Aluminium continues to improve its sustainability credentials with stakeholders.
  - The expected short and medium term outcomes are shown in the middle boxes of the Theory of Change, and set out in the M&E Plan with specific indicators and comments on data collection. Indicators that overlap with ISEAL Common Core Indicators are flagged.
  - The organisation's strategies are captured in detail in the ASI Strategic Plan and are in four main categories:
    - Effective governance
    - Credible program
    - Growing membership
    - Financial resilience
- ASI recognises that the organisation is exposed to certain risks due to the nature of its activities and the context in which it operates. These risks have the potential to impact ASI's credibility, reputation and impact, its members and stakeholders, its financial and operational resilience, and the overall performance of the organisation. The ASI Risk Assessment and Management Plan:
  - Identifies and assesses key risks for ASI as an organization
  - Rates the risks' likelihood, consequence and severity
  - Identifies and assesses risk control measures

  The ASI Risk Assessment and Management Plan is updated at least every year, and more frequently if required by rapidly changing circumstances. Version 1 was approved by the ASI Initial Board in January 2016 and a revision history is included at the end of the document. Significant updates were undertaken in 2018 and 2021.
- The ASI Strategy and M&E Plan encompass possible unintended effects of ASI's activities, both positive and negative. These have been identified through various discussions among the ASI Board, Committees and Working Groups, the Indigenous Peoples Advisory Forum, key stakeholders and the Secretariat during ASI's development phase in 2015-2018. The current and future impact of the COVID-19 pandemic on ASI's operations, revenue, and stakeholder value has been taken into consideration in the 2021 ASI Strategy and 2020 and 2021 Risk Assessment. ASI's published a one-page summary of its 2021 Strategy and this can be found on the website here: https://aluminium-stewardship.org/wp-content/uploads/2021/02/ASI-Strategy-2021-1-page.pdf.

Data Management

- The ASI IT and Data Governance Handbook (last updated in 2021) is designed to:
  - Establish cyber risk management and business continuity procedures
  - Support security awareness and training for the ASI Secretariat and associated service providers
  - Document the Software as a Service (SaaS) IT platforms used by ASI
  - Classify information types, access and management procedures
  - Set out ASI's data governance strategy and approaches
  - Collect together relevant ASI policies and procedures for easy reference
- ASI has a strong commitment to integrated IT systems. For the certification process, ASI has developed its own customised assurance platform called *elementAl*, which is housed on a SAAS platform called Knack. It collects M&E data through the audit process and some through annual surveys through this platform. Audit Reports and Summary Audit Reports for all ASI Certifications are also stored here. In 2021, ASI will launch a Public Dashboard in *elementAl*, so that users (Members, Auditors and others with an *elementAl* account) can more easily access, download and analyse published and aggregated data on ASI Certifications.
- Each ASI member company has its own firewalled account on *elementAl*, with multiple internal user access. The ASI Secretariat has access to aggregate data to enable analysis.
- Simple data visualization and reporting tools can be integrated into *elementAl,* and data can also be exported for more complex analyses e.g. multi-variable.

- ASI also stores general CRM data from the member application process on the SAAS platform, Insightly, some of which will be relevant for M&E indicators. Similar to *elementAl,* aggregate data can be exported for analysis and reporting purposes for specific variables.
- The ASI Antitrust Compliance Policy applies to the access, analysis and publication of all data: https://aluminium-stewardship.org/about-asi/legal-finance-policies/
- ASI Confidentiality, Privacy and *elementAl* Users Policies are also relevant. See https://aluminium-stewardship.org/about-asi/legal-finance-policies/ for copies of these policies.

Performance Monitoring and Outcome/Impact Evaluations

- The planned data collection and evaluations are identified in the M&E Plan. Indicators that overlap with ISEAL Common Core Indicators are flagged.
- ASI collects data on Level 1 indicators directly from all its members at the time of their membership application, during the certification process through its online assurance platform, *elementAl*.
- ASI collects data on Level 2 indicators through case studies, annual surveys of members and collaborations with other data collecting bodies.
- Studies for Level 3 indicators, collected by independent researchers through outcome or impact evaluations, commenced in 2020. ASI will also monitor external research and publications by third parties on the ASI certification program. A list of completed, ongoing and planned outcome and impact evaluations can be found on the ASI website here: https://aluminium-stewardship.org/why-aluminium/outcome-impact-evaluations/
- ASI has started publishing data on the outputs and outcomes from its program in 2019 through an Outcomes Dashboard on our website: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/. The dashboard is updated monthly and includes membership and certification outputs and outcomes, including:
  - # of ASI members
  - # of certificates issued against the Performance Standard
  - # of certificates issued against the CoC Standard
  - # of countries where certified facilities operate
  - % of ASI PS Certifications leverage one or more external certifications
  - # of ASI accredited auditing firms operating in X countries
  - # of auditors trained via the ASI *educationAl* program since 2017
  - # ASI Members and stakeholders trained via the ASI *educationAl* program since 2017
  - # of Indigenous Peoples Advisory Forum (IPAF) meetings held since 2015
  - # of people working in ASI Performance Standard Certified facilities
  - # of ASI Board meetings since inception in 2016
  - # of ASI Standards Committee meetings since its inception in 2016.
- Since January 2021, ASI is reporting monthly on various program-level indicators to assess progress towards expected short and medium term outcomes as defined in our Theory of Change. These 'M&E Insights' are published on our website and in our Public Newsletter: https://aluminium-stewardship.org/why-aluminium/monitoring-evaluation-insights/
- ASI keeps track of ASI Certified operations worldwide in an ASI Certification Map that shows ASI Certified operations worldwide: https://aluminium-stewardship.org/asi-certification/map-of-asi-certifications/
- Since the launch of the ASI Standards, ASI has been collecting anecdotal evidence and feedback through on-site investigation and interviews from ASI Members as to how their implementation of the ASI Standards and process of certification has demonstrated changes in their operations and beyond. The results are used to create the Stories of Change, which can be found on our website here: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/asi-story-of-change-series/
- All reports and evaluations are published on the ASI website to uphold ASI's commitment to transparency.

Improving the Effectiveness of the M&E system

- Learning and improving is a core objective of ASI's M&E program. Both the process of rolling out the M&E Plan, and reviewing and reflecting on its findings, yield valuable insights to all relevant parts of ASI's activities.
- These include the nature and wording of Standards requirements, the assurance model and online assurance platform, *elementAl*, the relevant data and indicators to assess impacts, the training and capacity building provided to companies, auditors and stakeholders by ASI and others, and learning opportunities for the ASI Secretariat, Working Groups, Committees and the Board which will feed into broader strategies and plans.
- For example, as part of ASI's M&E program, CoC Certified Entities are required to report annually on CoC material inputs and outputs. This enables ASI to evaluate system integrity and support communication of aggregated and deidentified flows to interested stakeholders. The 2020 calendar year was the second year that there were sufficient CoC Certified Entities to meet ASI's Antitrust Compliance Policy in terms of aggregated statistics. Through this project, ASI has captured several learnings to enhance the quality of the data for future reporting. Based on these learnings, the framework, as well as instructions and guidance for reporting will be updated in *elementAl*. Additionally, online training materials will be developed for its learning platform *educationAl.*
- In addition, ASI will publish reports on its M&E activities and analyses, and seek input from stakeholders internal and external to ASI on how to maximize the learning and improvement opportunities. For example, three ASI team workshops are planned in October 2021 to reflect on implementation of ASI's M&E program and seek feedback from the team on the ASI Theory of Change.

Publicly Available Information about the M&E System

- See the ASI Outcomes and Impacts web page (https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/ for information about:
  - ASI Outcomes Dashboard and what we have achieved so far
  - ASI M&E Plan
  - The latest version of this System Report
  - How to contact ASI to discuss M&E
- The ASI Theory of Change can be found here: https://aluminium-stewardship.org/why-aluminium/asi-theory-of-change/
- Published ASI Stories of Change can be found on this web page: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/asi-story-of-change-series/
- Planned, completed and in-progress outcome and impact evaluations can be found here: https://aluminium-stewardship.org/why-aluminium/outcome-impact-evaluations/
- ASI Chain of Custody Material along the value chain is updated yearly on this web page: https://aluminium-stewardship.org/why-aluminium/asi-outcomes-impacts/asi-coc-material-flow/
- Opportunities for stakeholder engagement and input will be advised through the monthly ASI newsletter as they become available. To opt-in to the newsletter, sign up at: https://aluminium-stewardship.org/stay-informed/
- We welcome your input into the development of ASI's M&E Program. Contact us at info@aluminium-stewardship.org.