1) The STRATEGIES our system employs to meet its sustainability objectives

ASI’s Strategy is situated in an understanding of the big picture challenges facing the aluminium value chain. These long-term, structural challenges are the landscape and wider horizon in which ASI seeks to drive and contribute to positive change and transformation.

In 2021, a summary of key current and ‘horizon challenges’ for the aluminium value chain was developed through literature reviews and leadership discussion, see below and on the ASI website:

- ‘Part of the problem and the solution.’ Aluminium needs to delink growth and emissions through: decarbonisation of electricity; direct emissions reductions; recycling and resource efficiency. Climate impacts (environmental and social) are already visible and demand for action is accelerating. Climate risks include impacts on industry itself.
- ‘Closing all loops.’ Need to reduce sourcing from virgin materials, increase recycled content and remanufacturing, and generally rethink the material economy. Current EOL aluminium product collection rates “70% increase of 10% in last 10 years. Waste streams must also be addressed e.g. bauxite residue, SPL in primary production.
- ‘Footprint from a boom.’ Aluminium demand growth projected to increase 80% by 2030. Drivers include rapid urbanisation, EV transition, electrical grid expansion to support renewables, replacing plastics in packaging. Expect increased scrutiny of scaling commodities and their impacts.
- ‘From alternative to mainstream.’ ESG performance will be rewarded through access to, and cost of, capital and company valuation. Social will increase in focus in coming years. Novel financing and production models to limit risk, growth in IIVs and service agreements. Standardisation and clarity of ESG metrics needed.
The sustainable development challenges for aluminium are wide-ranging, and ASI remains only one actor among many with roles to play in transforming the value chain to 2030.

ASI has a focused strategy and has identified **four priority sustainability issues** where it believes it can most contribute to catalysing change. These are shown in the figure below:

ASI’s four **Strategic Pillars** set the foundation for the inputs and actions identified as necessary to achieve the short-and medium-term outcomes, and support long-term goals.
### Strategic Pillars

<table>
<thead>
<tr>
<th>Effective Governance</th>
<th>Robust Program</th>
<th>Driving Change</th>
<th>Beyond Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate effective multi-stakeholder corporate and standards governance</td>
<td>Deliver program rigour and integrity, including through regular revision cycles</td>
<td>Catalyse change in key sustainability topics across a range of operating contexts</td>
<td>Amplify ASI’s impact with stakeholders outside of the certification program</td>
</tr>
<tr>
<td>Encourage participation and engagement by members and stakeholders</td>
<td>Support a culture of innovation and continual improvement</td>
<td>Tell the story of ASI and the global aluminium value chain</td>
<td>Strengthen models and support for Indigenous-led and local community activities</td>
</tr>
<tr>
<td>Position ASI for organisational growth and resilience</td>
<td>Build capacity of members, auditors and Secretariat for quality implementation</td>
<td>Leverage data to track progress and deepen insights</td>
<td>Lead or support targeted local projects in challenging sectors and regions</td>
</tr>
<tr>
<td>Ensure financial resilience and positively adjust to dynamic risks and circumstances</td>
<td>Digitisation of certification workflows and program management</td>
<td>Address risks of sector or topic fragmentation that hides the ‘big picture’ view</td>
<td>Engage with academic and other programs to support broader innovation and capacity building</td>
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**Effective Governance** plays an enabling foundation for ASI’s work, with a focus on multi-stakeholder decision-making at a standards and corporate governance level, as well as organisational and financial resilience.

**Robust Program** provides the technical foundation for delivering quality implementation of agreed standards and supporting the integrity of assurance frameworks by members and auditors.

**Driving Change** highlights the critical role of data and transparency to track progress, deepen insights and bring together the necessary actors to ultimately catalyse sustainability sector transformation on key sustainability topics.

**Beyond Certification** recognises that ASI has an opportunity to complement the Certification program through work with other stakeholders, including Indigenous Peoples and local communities, to support direct capacity building and amplify positive change in the aluminium value chain.

These strategic foundations will drive ASI towards its desired short-term outcomes (2022-2025): following on from the 2022 Standards launch, to build scale of participation, strengthen engagement with collaborative initiatives and frameworks, and invest in our digital ecosystem to innovatively manage data and stakeholder processes.

These in turn will position ASI for its desired medium-term outcomes (2025-2030): to further evolve its standards and certification program to meet evolving needs, enable access to relevant metrics on progress, and to reach a critical mass for sectoral change at scale (through these and other drivers). The next Standards Revision will be in this timeframe; while the periodic major revision cycle is mapped onto the timeframes to highlight key milestones, these will be supported by more frequent guidance and learning updates.
Together, these outcomes will propel ASI’s members and stakeholders towards our long-term goals (2030-2050) on climate, circularity, nature positive and delivering social value. As ASI’s Strategy is updated annually, it is anticipated that these goals will become increasingly concrete (and urgent) as collective progress and effort is made across a wide range of programs.

To support implementation of ASI’s Strategy, and the ‘theory of change’ that underlies it, ASI will embed awareness and discussion in:

• Regular internal team workshops and communications
• External communications including the website and updates to Members, Auditors, Registered Specialists and general stakeholders.

ASI has developed a one page summary with our four strategic pillars and current priorities and is published on the ASI website: https://aluminium-stewardship.org/about-asi/asi-strategy.

The ASI Theory of Change will be updated on the ASI website in Q1 2023 following a full day workshop that was held with the Board in October 2022 and will reflect ASI’s four strategic pillars and sustainability priorities.

Key stakeholders who are either directly affected by the ASI system, or have a direct influence on its success 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

2) A description of the **STANDARD (delete as appropriate)** that our system has developed

ASI has two 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 ASI Performance Standard defines environmental, social and governance Principles and Criteria that address sustainability issues in the Aluminium value chain. ASI Members in Production and Transformation and Industrial Users membership classes are required to have at least one Facility Certified against the ASI Performance Standard within two years of joining ASI.
The ASI Chain of Custody (CoC) Standard complements the ASI Performance Standard and is voluntary for ASI Members, though encouraged. The ASI CoC Standard sets out requirements for the maintenance of a Chain of Custody for CoC Material, including ASI Aluminium, through the value chain. Aluminium is the second most widely used metal in the world. More than 67 million tonnes of primary aluminium were produced globally in 2021, 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, the bauxite then goes through a refining process to create alumina. 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.

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. During 2020-2022, ASI undertook a major revision of all ASI Standards and supporting documents. The updated versions were launched in May 2022.

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.

The ASI Monitoring and Evaluation (M&E) program is designed to assess the impact of ASI Certification. Impacts are long-term changes in the sustainability areas that the Standard aims to address and their understand and demonstration are critical for standards programs’ success. ASI’s M&E program measures short and medium-term changes to understand how these contribute to long-term impacts, and also identifies how ASI’s certification program can be improved over time. The ASI M&E Plan will be updated in 2023 to align with ASI’s Strategy and revised Standards.

3) How we maintain RESPONSIBILITY for decisions taken about and by our system

The Aluminium Stewardship Initiative (ASI) is a global multi-stakeholder non-profit standards setting and certification organisation.

We bring together producers, users and stakeholders in the aluminium value chain with a commitment to maximise the contribution of aluminium to a sustainable society. Working together, we aim to collaboratively foster responsible production, sourcing and stewardship of aluminium. Aluminium Stewardship Initiative Ltd was incorporated as a non-profit public company limited by guarantee in Australia in June 2015.

ASI is committed to developing and implementing good operational and governance practices on behalf of its multi-stakeholder membership. ASI governance is designed to reflect the interests and priorities of its diverse members and stakeholders, while also meeting its broader responsibilities as an international standards program and not-for-profit organisation. The figure below illustrates the key bodies in ASI’s governance:

The ASI Governance Handbook provides an overview of the design and implementation of ASI’s multi-stakeholder governance model. It is aimed at orienting and guiding the various participants in ASI’s governance structure, including Board directors, Committee members and ASI staff. It includes the ASI Code of Conduct and principles for consensus-based decision-making. ASI surveys its members annually on governance, and the Handbook is overseen and periodically updated by the ASI Board.

The ASI Standards Committee is a multi-stakeholder group at the heart of ASI’s mission. Its work is focused on standards development and revision, the ASI assurance model, and monitoring and evaluation of impacts. As a group elected on behalf of all ASI members, it plays an important stewardship role for the technical heart of ASI’s program, seeking net benefit for all stakeholders to the aluminium value chain.

Terms of reference:
- Approve new and revised ASI standards and related normative documents for assurance, for adoption by the ASI Board as a By-Law based on good process having been followed and review of any material risks
- Provide regular updates to the ASI Board during active standards setting periods, to enhance the early identification of any material risks to ASI which need to be addressed
- Provide guidance on the consultation and engagement of stakeholders during standards development activities
Recommend that ASI convene working groups or forums on specific standards-related issues, so as to inform the development of guidance or standards development activities.

Review and make recommendations to the Board on the design, implementation and continuous improvement of ASI Certification.

Review and make recommendations on allowed claims relating to ASI certification and recommend courses of action to prevent misrepresentative claims.

Review and make recommendations on ASI’s monitoring and evaluation of impacts, including the ASI Theory of Change.

Provide guidance relating to the quality and impartiality of ASI’s certification and auditor accreditation activities.

Conduct, with the support of the ASI Secretariat, and/or a person engaged by the ASI Secretariat, an annual review of the impartiality of the decision-making processes relating to ASI Certification. (The ASI Oversight Mechanism sets out the relevant processes that have been established by ASI for this purpose).

During active standards development periods, all relevant stakeholders are invited to participate in public consultation opportunities. The feedback from all stakeholders is taken into account by the Standards Committee, which seeks to balance a range of stakeholder interests in determining the final content of new standards, revisions and supporting documents.

The ASI Board has oversight of the standards development process and the final responsibility for adoption of new or revised standards for implementation by ASI members.

4) How our system’s design demonstrates a COMMITMENT TO IMPROVEMENT

The challenge of demonstrating outcomes and impact is central to the design of the ASI certification program. The adoption of the ASI standards by actors in the aluminium value chain is a means to achieve responsible production, sourcing and stewardship of aluminium: it is not an end in itself.

The M&E program is a key tool for ASI to gain insight into the outcomes and impact of its efforts and that of its members and, over time, to support continual improvement of its program. Implementing an effective M&E program will enable ASI to both communicate its progress and value, and inform the design and regular revision of its standards and assurance model so that it adapts to changing contexts and expectations.

The M&E Plan is intended as a dynamic document, similar to the ASI Risk Assessment and Management Plan, to be regularly reviewed and updated. The analysis of collected data, assessment of materiality associated with the data, and/or case studies to evaluate impacts may also result in changes to the M&E Plan and the indicators.

ASI’s M&E program has a dual role:

- To collect, review and share evidence of outcomes and impact (“to prove”), and
- To learn from implementation and feedback (“to improve”).

The M&E program therefore aims to capture the most important changes brought about by value chain actors that have adopted ASI standards, and identify gaps and/or issues that need further attention. An effective M&E program can feed into learning for ASI itself, its members and its stakeholders, and can provide an evidence base for future revisions of its standards and assurance models.

The current scope of ASI’s M&E program is:

- The global aluminium value chain, from bauxite mining through to downstream use sectors
- The four priority sustainability issues:
- Drive sector-wide **climate change** mitigation and adaptation within below 1.5°C scenario
- Drive **circularity**: reduce metal losses, design out waste and pollution, regenerate natural systems
- **Nature-positive action** on biodiversity, ecosystem services and bauxite mine rehabilitation
- Drive local action, capacity building and supply chain due diligence to respect human rights

The effectiveness of the Chain of Custody Standard as a driver for uptake and impact.

ASI’s certification program was launched in December 2017. While routine data collection started when ASI was incorporated in 2015, full implementation of the M&E program took place in 2019, following at least one year of operation and when a critical mass of certifications was in place. Performance monitoring data is used to publicly report on ASI outputs and outcomes, as well as to the Board for periodic reporting. See Data & Research Insights page on the ASI website: [https://aluminium-stewardship.org/dataresearch](https://aluminium-stewardship.org/dataresearch)

The results from **outcome evaluation reports** (GHG studies, CoC Material Flow analysis, and Biodiversity and Social/Governance studies) have been discussed with relevant Working Groups and Standards Committee and informed the ASI Standards Revision process between 2020-2022, and are published on the ASI website.

A summary of ASI's M&E Indicators is described in the [ASI M&E Plan](https://aluminium-stewardship.org/dataresearch) (2021), and data collection protocols for all indicators are described in the ASI M&E List of Indicators. ASI has established reporting protocols and templates in our assurance platform elementAl (or by alternative means) for Certified Entities to report the required information as appropriate for each indicator. Data quality procedures have been developed by ASI to support the quality, reliability and accuracy of data used for monitoring and evaluation.

‘Data governance’ is an important concept for ASI and ensures that data-related processes create value and are properly documented and maintained over time. ASI has documented its approach to data governance in the Secretariat’s IT & Data Governance Handbook and aims to support good management and provide clarity on how and where value can be created with data. Data governance is also relevant to regulatory requirements such as the EU General Data Protection Regulation (GDPR), which require careful management of personal data.

At an overarching level, ASI aims to address data governance through:

- Technology
- Culture
- Corporate governance
- Insurance.

To support continual improvement in data governance, ASI strives to:

- Avoid multiple data sets across incompatible systems and ‘orphan’ data
- Address bottlenecks in developing and updating IT tools, platforms and training
- Increase efficiencies in workflows, user support and data collection and analysis.

Good system design, regular data review, cleaning and maintenance processes, and risk monitoring are ASI’s three key elements to support data integrity. ASI’s assurance system staff are all highly experienced with data collection and management, and most have been intimately involved in the initial and ongoing development of ASI’s online assurance platform, elementAl.
In Q1 2020, ASI digitised and streamlined audit report oversight activities. Audit data is a key part of the M&E system and oversight of data quality is covered through the Oversight Mechanism: https://aluminium-stewardship.org/asi-certification/asi-oversight-mechanism/. In particular, the ASI Audit Report Oversight Procedure governs the Secretariat's protocols to ensure quality of process and data in submitted audit processes. Another example of protocols for data collection and quality is the ASI Membership Applications and Admissions Procedure V2.

ASI has a strong commitment to integrated IT systems. M&E data is managed in a variety of platforms and ASI’s overarching data governance policies are included in the ASI IT & Data Governance Handbook.

For the certification process in particular, ASI has developed its own custom-built assurance platform called elementAI, which is currently housed on a SAAS platform called Knack. It collects M&E data through the audit process and some annual surveys/data reporting cycles through this platform. Audit Reports and Summary Audit Reports for all ASI Certifications are also stored here. Each ASI member company has its own firewalled account on elementAI, with multiple internal user access. The ASI Secretariat has access to aggregate data to enable analysis and a Public Dashboard for published data was also launched in September 2021. This access to includes pre-built charts on key variables drawing on live data, with data also able to be exported by users in CSV format for more complex analyses e.g. multi-variable.

Performance data related to the educationAI training is collected through the educationAI platform on Tovuti and via feedback surveys. 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 elementAI, aggregate data can be exported for analysis and reporting purposes for specific variables.

From Q3 2022, we are developing data-driven feedback processes from our assurance and learning work streams to inform ASI Standards Guidance development. We will use data (for example non-conformance data in assurance, poor training results, qualitative feedback from Entities and Auditors) to identify where ASI Guidance refinement is required, in addition to direct ASI Member enquiries and Q&A.

5) How our standard or tool is monitored and reviewed to ensure its RELEVANCE

Standards: Regular revisions help standards and certification programs continue to improve over time. ASI Standards and supporting documents will be reviewed at least every five years, or more frequently as required. From 2022, Guidance and other supporting documents will undergo more frequent updates to support implementation, clarify key issues and incorporate new resources.

ASI conducts standards development and revision processes in accordance with the ISEAL Alliance Code of Good Practice for Setting Social and Environmental Standards. This includes multi-stakeholder public consultation and decision-making processes which represent a balance of interests.

Revisions are overseen by the ASI Standards Committee, with input supported by technical Working Groups for key topics. Changes to ASI Standards must be adopted by the ASI Board. For more information and how to be involved, see: https://aluminium-stewardship.org/asi-standards/standards-revisions.

Complaints Mechanism: 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.
• It does not replace or limit access to judicial remedies.

More information is available in five languages – English, French, Chinese, German and Portuguese (Brazil) – and can be found here: https://aluminium-stewardship.org/asi-certification/asi-complaints-mechanism

Assurance: All ASI Accredited Audit Firms and ASI Accredited Auditors information is provided on the ASI website, see:

• https://aluminium-stewardship.org/asi-standards/auditors-and-specialists/
• https://aluminium-stewardship.org/asi-certification/asi-accredited-auditors/
• https://aluminium-stewardship.org/join asi/

The scope of each accreditation (e.g. supply chain activities and geographical scope (by country)) is also presented.

The ASI Assurance Model is based on a risk management approach which introduces a maturity scale that determines the nature and frequency of audits, once the maturity and risk factors have been verified by the auditor. The maturity model is described in Sections 5.1 - 5.10 of the ASI Assurance Manual.

ASI membership eligibility, including for membership classes for which ASI Certification for at least part of their company is a condition of membership, is also available from the 'Join ASI' page on the website, and in the ASI Membership Information and Application Form available on that page. Chinese translation link is also available.

M&E: The ASI M&E Plan and List of Indicators was finalised and approved by the Standards Committee in April 2019, and M&E has been periodically discussed with the Standards Committee since then. The M&E Plan is intended as a dynamic document, similar to the ASI Risk Assessment and Management Plan, to be regularly reviewed and updated. The analysis of collected data, assessment of materiality associated with the data, and/or case studies to evaluate impacts may also result in changes to the M&E Plan and the indicators. For any questions on ASI’s M&E program, please contact ASI Director of Partnerships, Marieke van der Mijn.

The ASI ‘45 minutes on ....’ series was launched in early 2021 and provides a learning opportunity for ASI members to exchange on good practices and research findings. Some live sessions are open to all interested stakeholders and recorded sessions are published on the ASI website (https://aluminium-stewardship.org/videos/45-minutes-on-recorded-sessions/).

All outcome evaluations are published on the ASI website: https://aluminium-stewardship.org/why-aluminium/outcome-impact-evaluations/. These are the full reports, but they do not disclose entity specific data for Anti-Trust compliance and confidentiality reasons.

The results of all studies have been discussed with the relevant Working Groups and ASI Standards Committee, and a Q&A session with the authors of the reports were held. A ‘45 mins on...’ GHG Emissions’ members webinar (who were the study participants) was held in Oct 2021 with ASI Director of Standards Chris Bayliss and Dr David Wong of Atmolite Consulting to discuss the 2021 report. The webinar was announced in the monthly ASI Members Newsletter.

A Public Dashboard is available for all ASI Audit data, see: https://aluminium-stewardship.org/access-elemental.
6) How the standard or tool is IMPLEMENTED

**Standards:** The ASI Standards Guidance documents (Performance Standard V3, Chain of Custody Standard V2) are designed to support implementation consistency and non-normative. Training and an online help desk in the ASI Assurance Platform - elementAI - is also provided.

**Assurance:** ASI’s Assurance Manual (V2 2022) describes that ASI’s assurance system has been designed to align with the principles outlined in the ISEAL Alliance Code of Good Practice: Assuring Compliance with Social and Environmental Standards (Version 2).

Drawing from the ISEAL Assurance Code, the desired outcomes from implementation of the ASI Assurance Manual are that:

- The ASI assurance system results in accurate assessments of Conformance
- Effectiveness and efficiency of the ASI assurance system are improved over time
- The ASI assurance system is accessible and adds value to ASI Members.

The implementation of the ASI Assurance Manual is subject to the **ASI Oversight Mechanism**, which is the umbrella for a range of procedures to assess, review and improve competency, accuracy, effectiveness and efficiency of the ASI assurance system. On receipt of each Audit Report from an Auditor, the ASI Secretariat undertakes a review process as part of its oversight model before issuing ASI Certification. The Audit Report Oversight process is managed through elementAI and includes the following seven steps for quality and consistency of ASI assurance:

- Review the Audit Team
- Review the Audit Scope
- Review the Audit Execution
- Review the Audit Findings
- Review the Publishable Information
- Check documentation and records are all in order, and note any system improvement opportunities
- Approve the release of ASI Certification

**educationAL** is ASI’s online learning platform for members, auditors and other stakeholders. The auditors online training is a structured learning program with mandatory modules, assignments, quizzes, and an accreditation exam. All auditors must complete the relevant courses and successfully pass the exam before conducting ASI Certification Audits.

ASI also publishes monthly newsletters for ASI Accredited Auditors to keep them up-to-date on ASI assurance related news and it includes practical tips and techniques to ensure consistent implementation and improve quality of audits and audit reports.

ASI members have access to a range of training modules and webinars to support them in the implementation of the ASI Standards. Modules focus learning on specific aspects of the ASI Standards and can be watched at the learner’s pace and according to their interest areas.

**M&E:** The ASI Secretariat is currently around 23 FTE. ASI’s current Impacts / Monitoring and Evaluation activities is being re-framed as Data and Research, embedded within and across the organisation.

A new Beyond Certification stream has also been developed, framed to align with the proposed new Strategy Pillar on this and has a focus on working directly with Indigenous communities.
The Learning stream continues to add modules to support competence, learning and capacity building activities for members, auditors, and stakeholders, across the Standards, Assurance and Beyond Certification areas.

All staff have relevant and complementary professional backgrounds for these roles, including in qualitative and quantitative research and data analysis; data systems, integrations and visualisations; and relevant sustainability topic and industry knowledge. A brief profile for each staff member can be found at: https://aluminium-stewardship.org/contact/.