

The Aluminium Stewardship Initiative (ASI) program and action on human rights

We thank Human Rights Watch (HRW) and Inclusive Development International (IDI) for the opportunity to engage in a dialogue on some of the draft summary findings from this report, in advance of publication. While we were not able to review the draft report itself, we appreciate the opportunity to share some perspectives in this Annex to the report.

ASI is a multi-stakeholder membership organisation, incorporated in 2015, that provides an inclusive platform for engagement and action for a wide and growing range of stakeholders. We take a whole of value chain approach, providing an end-to-end platform for efforts on responsible production, sourcing and stewardship in the aluminium sector, addressing a broad suite of sustainability issues. When considering the challenges of rolling out human rights due diligence processes at a global scale, think of ASI as taking a longitudinal approach, covering one commodity but working with and through that entire ecosystem and the people impacted at every step.

ASI agrees that independent third-party certification is one tool to drive and support human rights due diligence, within a broader suite of processes, including government regulation and implementation, stakeholder efforts and business action. ASI standards, assurance and oversight processes promote the due diligence measures identified in this report, and our program has a range of systems and controls in place for integrity risks. The ASI Complaints Mechanism provides a mechanism to hear and resolve complaints relating to ASI's standards setting processes, certification program, auditor conduct and ASI policies and procedures. ASI is a Code Compliant member of the ISEAL Alliance, ensuring our systems are externally reviewed for conformance with the ISEAL Codes of Good Practice, and improvement opportunities are acted on. Through its Indigenous Peoples Advisory Forum (IPAF), ASI is also engaged in 'beyond certification' activities, including efforts to build community capacity, to improve community resilience and to amplify local and marginalized voices.

ASI's governance has two layers: *standards governance* and *corporate governance*. Both are composed of half industry and half non-industry representatives. The ASI Standards Committee is the *standards governance* layer and comprised of 24 participants. Twelve seats are for industry – six upstream (production, recycling and transformation of aluminium) and six downstream (aluminium use sectors such as packaging, automotive and building and construction). The other twelve seats are for civil society organisations and the ASI IPAF. ASI's Standards Committee currently includes four direct Indigenous community representatives impacted by bauxite mining from India, Ghana, Suriname, and Australia and an NGO representative from Guinea – bringing valuable regional diversity for a globally applicable standard. The ASI Board focuses on *corporate governance*, providing a critical oversight role on the organisation's strategies, systems and risk. Its eight seats are likewise half industry and half non-industry, with two seats for upstream, two seats for downstream, two seats for civil society and two independent (non-industry) directors. Independent directors were included in ASI's governance model as good corporate governance practice. All Directors must act in the interests of the ASI organisation, not their own or other interests, as a fundamental duty.

On the question of impact, a standard that is not implemented is a standard that is not delivering change. ASI launched its Certification program in late December 2017 and at time of publication there are more than 130 Certifications issued, across 40 countries and throughout the aluminium value chain. Surveillance and re-certification audit cycles are well underway – important phases which lead to oversight of corrective action and the desired changes we are all seeking. For the 2020 calendar

year, bauxite mining production from sites ASI Certified against both the Performance Standard and Chain of Custody Standard was around 16% of global bauxite production. From a site perspective, and looking at primary production of aluminium, there are at least 11% of the world's bauxite mines, 11% of alumina refiners and 20% of aluminium smelters ASI Performance Standard Certified – after just over 3 years of rollout [*Sources: ASI for numerator, CRU Group for denominator, data at June 2021*]. This is strong progress for a still relatively young initiative, but our ambitions are larger again.

ASI is committed to transparency, and there is a wealth of information available on the ASI website. This includes Standards Committee and Board minutes, summary audit reports and a searchable map of ASI Certifications, analyses of outcomes and impacts, links to recorded webinars and training for implementation, and much more. We continue to add data and tools to meet stakeholder interests and expectations, and support our own journey of innovation and continual improvement. If these issues are of interest to you, we welcome your engagement.

There are a range of approaches and initiatives that are seeking to drive and amplify change towards responsible practices. There is no one 'right' approach and ASI, like others, frame a scope and drive towards their long-term goals. All genuinely motivated programs, like ASI, mature and evolve through diverse stakeholder commitments and contributions. Working together, we can continue to improve and achieve our collective and respective goals – including on human rights due diligence.

Sincerely



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