ASI Assurance Manual

Version 1

December 2017

Aluminium Stewardship Initiative (ASI)

ASI is a not-for-profit standards setting and certification organisation for the aluminium value chain.

Our **vision** is to maximise the contribution of aluminium to a sustainable society.

Our **mission** is to recognise and collaboratively foster responsible production, sourcing and stewardship of aluminium.

Our **values** include:
- Being inclusive in our work and decision making processes by promoting and enabling the participation of representatives in all relevant stakeholder groups.
- Encouraging uptake throughout the bauxite, alumina and aluminium value chain, from mine to downstream users.
- Advancing material stewardship as a shared responsibility in the lifecycle of aluminium from extraction, production, use and recycling.

General Enquiries

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Disclaimer

This document does not intend to, nor does it, replace, contravene or otherwise alter the requirements of the ASI Constitution or any applicable national, state or local government laws, regulations or other requirements regarding the matters included herein. This document gives general guidance only and should be not be regarded as a complete and authoritative statement on the subject matter contained herein. ASI documents are updated from time to time, and the version posted on the ASI website supersedes all other earlier versions.

The official language of ASI is English. ASI aims to make translations available in a range of languages and these will be posted on the ASI website. In the case of inconsistency between versions, reference shall default to the official language version.

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1. Introduction

1.1. About ASI

The Aluminium Stewardship Initiative (ASI) is a non-profit organisation which exists to administer an independent third-party certification program for the aluminium value chain. The aims of ASI are to:

- Define globally applicable standards for sustainability performance and material chain-of-custody for the aluminium value chain
- Promote measurable and continual improvements in the key environmental, social and governance dimensions of aluminium production, use and recycling
- Develop a credible assurance and certification system that both mitigates the risks of non-conformity with ASI standards and minimises barriers to broad scale implementation of ASI standards
- Become and remain a globally valued organisation, advancing programs for sustainability in the aluminium value chain, which is financially self-sustaining and inclusive of stakeholder interests.

1.2. Principles, Desired Impacts and Strategies for the ASI Assurance Model

ASI's assurance model aligns with the **principles** outlined in the ISEAL Alliance Code of Good Practice: Assuring Compliance with Social and Environmental Standards ("*ISEAL Assurance Code*"). ASI aims to design and implement an assurance model that is in conformance with the ISEAL Assurance Code, and delivers on core goals of integrity, credibility and effectiveness. The ISEAL Assurance Code sets out the following principles that ASI has adopted as key to enhancing conformity with standards and instilling trust in an assurance system:

- Consistency: to ensure replicable results
- Rigour: the 'intensity' of the assurance process that best enhances accurate results
- Competence: of individuals carrying out assurance, to interpret and apply intent of the standards
- Impartiality: to ensure fair and objective treatment of organisations seeking certification
- Transparency: to provide for stakeholder scrutiny and build confidence
- Accessibility: affordable, culturally sensitive, comprehensible and within reach of target clients

The ASI Theory of Change sets out the following **desired impacts** of the ASI assurance model, which are:

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

The following **strategies** from the ASI Theory of Change are embedded in ASI's Standards, Guidance and Assurance Manual in order to achieve these desired impacts:

- Clear standards and assessment tools that are meaningful, practical and accessible
- Guidance and learning opportunities for capacity building and continuous improvement
- Open membership opportunities and flexibility in certification uptake
- Credible assurance based on materiality and risks
- Innovative IT platforms to manage data and processes
- Transparency of outcomes and collaboration with stakeholders and other systems

Over time, ASI's assurance model will be regularly reviewed to take into account testing through the cloud-based ASI Assurance Platform, reviews of implementation by Members and Auditors, emerging risks and opportunities, and new strategies for data management. Following revisions, changes to the assurance model and the effective date will be clearly and promptly communicated to all Members and stakeholders.

1.3. Purpose of this Manual

The purpose of the ASI Assurance Manual is to set out the principles, procedures and objectives for the assurance model that support ASI Certification. Specifically, this Manual gives instruction and guidance on:

- The overall process for achieving ASI Certification
- How Members perform an initial Self Assessment to prepare for an Audit
- How Accredited Auditors conduct independent third party Audits to assess Conformance with ASI Standards
- General principles for conducting effective Self Assessments and Audits.

The Manual should be used by ASI Members and ASI Accredited Auditors when carrying out activities and responsibilities associated with ASI Certification.

1.4. Supporting Documents and References

The following documents provide additional supporting information to assist with implementing ASI Standards and achieving and communicating ASI Certification:

- ASI Membership Information and Application Form
- ASI Performance Standard
- ASI Chain of Custody Standard
- ASI Performance Standards Guidance
- ASI Chain of Custody Standards Guidance
- ASI Claims Guide
- ASI Auditor Accreditation Procedure
- ASI Auditor Oversight Mechanism (to be published in 2018)
- ASI Monitoring and Evaluation Plan (to be published in 2018)
- ASI Registered Specialist Procedure

All capitalised common terms and acronyms are defined in the Glossary at the end of the Manual.

2. Roles and Responsibilities

2.1 Overview

The ASI Secretariat, Members seeking ASI Certification and Accredited Auditors all play distinct roles in the Certification process. In summary:

- The ASI Secretariat is responsible for the development and adoption of ASI Standards and the governance and operation of the ASI Certification process
- Members are responsible for operating relevant parts of their business in Conformance with the applicable ASI Standard/s for which they seek or hold ASI Certification
- Accredited Auditors are responsible for verifying whether a Member's systems are in conformance with the ASI Standard being audited and providing an Audit Report to ASI.

2.2 ASI Secretariat

The roles and responsibilities of the ASI Secretariat include to:

- Develop, review and update ASI standards for currency, relevance and effectiveness, to address the needs of Members and stakeholders
- Develop and maintain cost-effective and user-friendly tools and guidance for the ASI Certification process
- Oversee the quality, integrity and credibility of ASI Certification
- Accredit third party Auditors to conduct ASI audits that meet Accreditation criteria based on the international standards ISO 17021 or ISO 17065.
- Provide Member and Auditor training and support
- Issue ASI Certification and maintain up-to-date information regarding Members Certification status on the ASI website
- Maintain internal records for all relevant aspects and outcomes of the Certification process
- Administer and oversee rules around claims associated with Membership and Certification status
- Administer the ASI Complaints Mechanism, including disciplinary proceedings where required
- Monitor, evaluate and publicly report on the impacts of ASI Certification in the context of ASI's Theory of Change.

2.3 ASI Members

Two ASI membership classes – the 'Production and Transformation' and 'Industrial Users' classes – have commitments to achieve some level of ASI Certification as part of their ASI membership. The roles and responsibilities of ASI Members in these membership classes include to:

- Operate relevant parts of their business, within their defined Certification Scope, in accordance with the applicable ASI Standard/s
- Dedicate internal resources to maintain Conformance with the applicable ASI Standard/s
- Communicate and train relevant personnel about ASI Standards and their own systems and controls to meet them
- Engage an Accredited Auditor to conduct Audits within the applicable timeframe
- Provide Auditors with access to Facilities, personnel and relevant information and records, and ensure Auditors are aware of any health, safety, security or other requirements on site

- Implement Corrective Action or improvement plans, as appropriate, to achieve Conformance and continual improvement.

2.4   ASI Accredited Auditors

The credibility of ASI's Certification program hinges on the quality and independence of the third party Conformity Assessment Bodies (CABs) and Auditors. The ASI Auditor Accreditation Procedure is available from the ASI website www.aluminium-stewardship.org, along with a list of ASI Accredited Auditors.

The roles and responsibilities of ASI Accredited Auditors in the Certification process include to:
- Conduct independent Audits against the relevant ASI Standard/s
- Verify information included in the Self Assessment including the Certification Scope (see section 4 and determine the Overall Risk Maturity assessment (see section 5)
- Identify any Non-Conformances which require Corrective Action by the Member
- Recognise when Audit objectives are unattainable and report the reasons to the Member and the ASI Secretariat
- Prepare Audit Reports for the ASI Secretariat and the Member
- Carry out follow-up reviews of progress against milestones, if required.

CABs and their Auditors must have appropriate experience and expertise and ensure that there is no conflict of interest when undertaking audits for Members. Accreditation requirements are based on recognised certification standards:
- ISO/IEC 17021 accreditation for management system certification schemes or an equivalent technical certification standard for management systems.[1]
  and/or
- ISO/IEC 17065 accreditation for product certification schemes (which includes processes and services) or an equivalent technical certification standard for product certification management systems. [1]

Note that the Auditor's legal relationship is with the Member that has engaged them for the audit, not with ASI. The Auditors who carry out independent third party audits for a Member cannot advise or assist in that Member's Self Assessment, or in the development of a Member's systems that are required by an ASI Standard, as this would be a conflict of interest.

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[1] The CAB's Accreditation must be demonstrated through independent assessment by an organisation registered with European co-operation for Accreditation (EA) or the International Accreditation Forum (IAF) or some other equivalent independent review. It cannot be demonstrated though a self-assessment or first party audit.

3. ASI Standards and the Certification Process

3.1 ASI Standards and Member requirements

ASI has developed two complementary standards for Certification in the aluminium value chain. In both cases, the organisation seeking Certification is described as an 'Entity'.

The ASI Performance Standard defines environmental, social and governance Principles and Criteria. It aims to address sustainability issues relevant to the production and material stewardship of aluminium, from the extraction of bauxite to the production of commercial and consumer goods, and the recycling of pre- and post-consumer aluminium scrap.

While ASI membership is voluntary, Certification against the ASI Performance Standard is a mandatory requirement for two classes of ASI Members as follows:
- Members in the 'Production and Transformation' and 'Industrial Users' classes must achieve ASI Certification against applicable requirements of the ASI Performance Standard for at least one Facility or Product/Program.
- The deadline for Certification for each Member is within two years of the launch of the ASI Certification program, or two years of joining ASI, whichever is the later.

The ASI Chain of Custody Standard sets out systems for the sourcing, custody and/or supply of responsibly sourced aluminium. Certification against the ASI Chain of Custody Standard is voluntary, though encouraged.

Chain of Custody Certification is the individual decision of a business and not a requirement of ASI Membership. However, Entities seeking ASI Chain of Custody Certification must:
- Be ASI Members or under the Control of ASI Members.
- Also achieve Certification against the ASI Performance Standard. The Certification Scope for the ASI Performance Standard must cover or include the Certification Scope for the ASI Chain of Custody Standard.

Each of the ASI Standards has Criteria with applicability that varies according to the types of supply chain activities carried out by the Member. More detail on applicability is contained in each Standard.

Claims about membership or Certification status must comply with the ASI Claims Guide.

3.2 Overview of the ASI Certification Process

There are five main steps in the ASI Certification process, illustrated in Figure 1 below.

Figure 1 – Steps in the ASI Certification Process

Step 1 - Self Assessment
- Preparation stage for the Certification Audit.
- Conducted by the Member in accordance with their defined Certification Scope.
- See section 7 for more details.

Step 2 - Certification Audit
- Conducted by an ASI Accredited Auditor who is an independent third party within two years of joining ASI or two years from the launch of the program.
- Risk-based assessment of conformance.
- See Table 1 and section 8 for more details.

Step 3 - Audit Report
- Auditor prepares Audit Report for ASI and Member.
- Member implements corrective action plan/s, where required.
- If Certification is recommended, Step 4 commences.
- See section 8.17 and 8.18 for more details.

Step 4 - Certification Issued
- ASI reviews Audit Report for clarity and completeness.
- ASI issues Certification and updates ASI website.
- See section 9 for more details.

Step 5 - Periodic Reviews
- Surveillance and Re-Certification Audits (Table 1) are conducted during/at end of Certification Period.
- These verify continued conformance and/or may assess other identified risks.
- See Table 1 and section 8 for more details.

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3.3   ASI Assurance Platform

A core part of ASI's assurance approach is to use tailored and innovative IT platforms to centrally manage the certification process and streamline data collection.

Central management of the ASI process and data provides the following benefits:
- Standardised assessment tools and processes to enhance consistency
- Enhanced oversight of all Self Assessments and Audits to monitor consistency of implementation
- More efficient data collection for monitoring and evaluation of ASI's desired impacts
- Centralised platform for rolling out revisions to ASI Standards and/or the Assurance Manual
- Ability for ASI to track progress, monitor potential bottleneck issues, and identify areas where additional guidance or support are needed.

The cloud-based ASI Assurance Platform, known as *elementAl*, is used to manage Self Assessments and Audits for both the Performance Standard and Chain of Custody Standard.

The *elementAl* Platform is accessible by to eligible users with access granted by the ASI Secretariat. User access is restricted to only the processes and information with which the user is directly involved, plus any aggregate and anonymised data that is made available through database reporting functions. A screenshot from *elementAl* is shown in Figure 2:

Figure 2 – ASI Assurance Platform elementAl Member dashboard screenshot
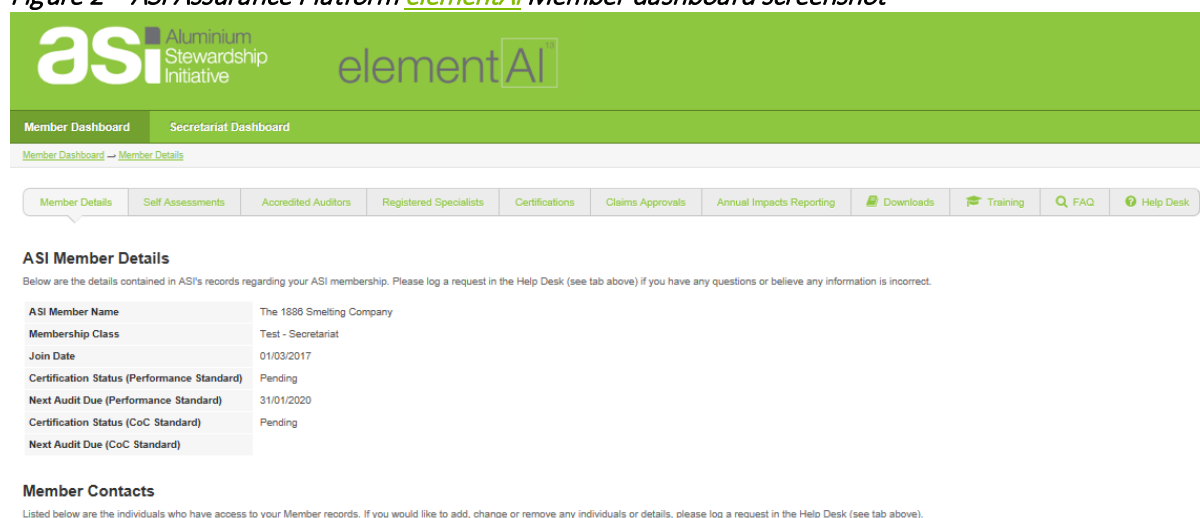
Access to the Platform is via this link:
https://aluminium-stewardship.knack.com/asi-assurance-platform/#member-login

Access to login is issued to all joining Members. On your first login, you should click "(forgot?)" next to Password. Once your access is approved by the ASI Secretariat, you will be sent an email to your nominated email address with instructions on where you can set up (or reset) your password. All passwords are immediately encrypted and not stored in the Platform in any readable form.

The Platform has been designed to incorporate all of the process steps described in the Assurance Manual and the requirements in the ASI Standards, including:
- Automated screening of applicable criteria based on the Entity's Certification Scope
- Recognition of the external certification schemes and parallel initiatives in Table 3
- The Risk Maturity Model as described in section 5
- The ability to record notes and upload evidence to support the Self Assessment and ASI Audits

As a first step, we ask users to review the information under 'Member Details', including information about languages spoken. This can be updated via the "Add/Edit Details" tab under the list of current Member Contacts for your organisation. If you would also like to add other colleagues to the platform, please let the ASI Secretariat know via the *elementAl* Help Desk.

The Platform's features will continue to be expanded with additional functionalities, and whenever ASI Standards or the Assurance Manual are updated. We welcome feedback on *elementAl* and suggestions for improvement.

3.4   Audit Types and Frequency

There are different type of Audits that are used to achieve and then maintain ASI Certification against both the ASI Performance Standard and ASI Chain of Custody Standard. These Audit types and their frequency are defined in Table 1 below, subject to no change in the Entity's Certification Scope.

Table 1 – ASI Audit Types

Audit Type	Frequency	Details
Certification Audit	Initial audit to achieve ASI Certification.	*For Performance Standard*: • Members in the Production & Transformation or Industrial User membership class must be certified within two years of the launch of the ASI Certification system or two years of joining ASI • *See section 3.5.1 for mandatory requirements for Members to achieve Performance Standard Certification).* *For Chain of Custody Standard*: • Certification is voluntary • *See section 3.5.2 for details pertaining to timing of Chain of Custody Certification.*
Surveillance Audit	Within 6 months for Provisional Certification. Up to 2 surveillance audits (one every 12 months) following Certification / Recertification Audits.	Provisional Certification requires site based surveillance audit within six months of previous audit. For full 3 year certifications: • Members in High Overall Maturity Rating are not required to have a Surveillance Audit • Members in Medium Overall Maturity Rating are required to have one Surveillance Audit to occur between 12-24 months after the previous audit.

Audit Type	Frequency	Details
		• Members in Low Overall Maturity Rating are required to have 2 Surveillance Audits. *See section 5 for more information on Audit Type and Overall Maturity Rating.*
Re-Certification Audit	At end of Certification Period	Mandatory to be able to maintain Certification (and ASI Membership, where applicable).

3.5   Certification deadlines and extensions

3.5.1   Performance Standard

As noted in section 3.1, Members in the 'Production and Transformation' and 'Industrial Users' classes must achieve ASI Certification against the applicable requirements of the ASI Performance Standard for <u>at least one</u> Facility, Program or Product. This is a condition of continued membership of ASI. The deadline for an individual ASI Member to achieve ASI Certification for at least some part of their business is <u>the later</u> of:

- Two (2) years from the launch of the ASI Certification program, or
- Two (2) years from joining ASI.

In exceptional circumstances, a maximum six (6) month extension to a Member's two year deadline may be considered. These circumstances must impact the ability of the Member to schedule an Audit within their deadline, and include:

- Lack of available Auditors
- Sudden changes in corporate structure or key personnel
- Pending corrective actions, such as capital works, that will improve conformance levels
- Changes to the ASI Certification program
- 'Force majeure' type situations.

In order for an extension to be granted by the ASI Secretariat, evidence of progress on the Self Assessment will be required.

The ASI Secretariat will send regular reminders to Members of the time remaining until their deadline to achieve or renew Certification.

3.5.2   Chain of Custody Standard

Certification to the ASI Chain of Custody Standard is voluntary. However, *Entities that seek Certification to the Chain of Custody Standard must also be certified to the ASI Performance Standard, as defined by the requirements in the Chain of Custody Standard and as applicable based on the Membership Class and the Entity's activities*:

- For Entities with any activities in Bauxite Mining, Alumina Refining, Aluminium Smelting, Aluminium Re-Melting/Refining, and/or operating a Casthouse, Certification against the Performance Standard is a pre-requisite for Chain of Custody Certification.

- For Entities only with activities that are Post-Casthouse, Certification against the Chain of Custody Standard may be obtained before Certification against the Performance Standard. However, Certification against the Performance Standard must be achieved within the applicable deadline for their ASI Membership (*within 2 years of the launch of the ASI Certification system or 2 years of joining ASI, whichever is later*).
- Where a Post-Casthouse Entity has already met their applicable ASI Membership deadline for Performance Standard Certification of at least one Entity, Facility or Product/Program, but now seeks CoC Certification for a different Entity, Facility, and/or Product/Program:
    - The Performance Standard Certification for this Entity, Facility or Product/Program must be achieved *within 1 year* of the CoC Certification being granted.
    - Claims regarding CoC Certification can still be made during this period.
- If Performance Standard Certification is not achieved within the applicable deadline, the CoC Certification will be suspended.

Note that the Certification Scope for the ASI Performance Standard must cover or include the Certification Scope for the ASI Chain of Custody Standard.

3.6   Certification Status and Certification Period

A Member's Certification status is determined based on the outcome of the Certification Audit. A Member's Certification status is expressed as either:

- Certification
- Provisional Certification
- Not certified (which includes situations where Certification has been suspended or revoked).

The Certification Period is the period of time that Certification is valid. To maintain their ASI Certification beyond the first Certification Period, Certified entities must undertake a Re-Certification Audit for a renewed Certification Period to come into effect.

Certification Periods are related to the Certification status as follows:
- The Certification Period is for 3 years where the Audit identified full Conformance (zero Non-conformances) or only Minor Non-conformances were identified (as defined in section 6.1).
- In cases where there is at least one Major Non-Conformance (defined in section 6.1), a Provisional Certification of 1 year may be issued so as to encourage improvement and targeted transition towards conformance. Members with Provisional Certifications are expected to transition to a full 3 year Certification as soon as practicable.
- However if there are Critical Breaches, (see section 6.3), Certification will not be issued or will be revoked/suspended, or the Certification Scope may be restricted excluding non-conforming activities, Facilities or Product/Programs. Depending on the nature of the Critical Breach, and feasibility and commitments for Corrective Action, disciplinary proceedings (as set out in the ASI Constitution) against the relevant Member may commence.

Table 2 below sets out the applicable Certification Period based on the nature of Non-Conformances identified during an audit, as follows:

Table 2 – Certification Period by Audit Findings

Audit Type	Full Conformance or Minor Non-Conformances only	Major Non-Conformances	Any Critical Breaches
Certification Audit	Certified for 3 year Certification Period.	Provisional Certification is limited to a 1 year Certification Period.	Restricted Certification Scope; No Certification; and/or disciplinary proceedings.
Surveillance Audit	Continue current 3 year Certification Period.	Certification Period will be commuted to a 1 year Provisional Certification.	Restricted Certification Scope; Suspended or revoked Certification; and/or disciplinary proceedings.
Re-Certification Audit	A further 3 year Certification Period.	Provisional Certification is limited to a 1 year Certification Period.	Restricted Certification Scope; Suspended or revoked Certification; and/or disciplinary proceedings.

While there is no quantitative limit to the number of Minor Non-Conformances, a group of related, repetitive or persistent Minor Non-Conformances may be raised to a Major Non-Conformance by an Auditor (see section 6.1).

Note that the 1 year Provisional Certification status is capped at two consecutive years (i.e. Major Non-Conformances identified in two consecutive Audits). If there is a major non-conformance found in the third audit, Certification will be suspended. This is described further in section 6.4.

Claims made by Members regarding their Certification status must be accompanied by the defined Certification Scope (see section 4) and in accordance with the ASI Claims Guide.

3.7   Harmonisation and recognition of parallel certifications

The ASI assurance model seeks to harmonise with other standards and initiatives wherever possible and appropriate, in order to reduce unnecessary duplication.

Table 3 below summarises some of the relevant external schemes which share issues and objectives with ASI Standards. Where equivalency has been determined below based on alignment between the external scheme and the ASI Certification Scope, the criteria in the ASI Standards can be assessed by an Auditor as Conformant without additional review, subject to verification by the Auditor regarding the status and relevance of the equivalent initiative.

Auditors will validate claims of equivalency made by ASI Members as follows:
- Verify that the scope of the recognised initiative applies to the Member's ASI Certification Scope. If the recognised initiative applies to less than the ASI Certification Scope, then those parts of the member's business not covered by the recognised initiative can be include in the Audit Scope (see section 8.5)
- Auditors will review the most recent certification/re-certification and surveillance audit reports relating to the recognised initiative to ensure that any identified non-conformances

<u>are being actioned by the Member. This must be included in the Audit Scope (see section 8.5).</u>

If during a Certification Period, an ASI Certified Entity no longer maintains certification with a recognised scheme listed in Table 3, then the excluded criteria must be included in the scope of the next scheduled ASI Audit.

Table 3 – Recognition of external certification schemes and parallel initiatives

ASI Standard	Criteria	Recognised External Certification Scheme and Parallel initiatives	Specific Reference	Auditor Check
ASI Performance Standard	1.2 Anti-corruption	The Entity holds current certification to: • ISO 37001 Anti-bribery management systems - Requirements with guidance for use	Entire ISO 37001 Standard	Certification to ISO 37001 is current for the Entity's ASI Certification Scope
	2.3a Environmental Management Systems	The Entity holds current certification to: • ISO 14001:2004 (until the end of 2018) or ISO 14001:2015 Environmental Management Systems: Requirements and guidance for use	Entire ISO 14001 Standard	Certification to ISO 14001 is current for the Entity's ASI Certification Scope
	2.3b Social Management Systems	The Entity holds current certification to: • SA 8000:2014 Social Accountability	Entire SA 800 Standard	Certification to SA 8000 is current for the Entity's ASI Certification Scope
	2.6 Emergency Response plans	The Entity holds current certification to: • ISO 14001:2004 (until the end of 2018) or ISO 14001:2015 Environmental Management Systems: Requirements and guidance for use or • OHSAS 18001:2007 Occupational Health	ISO 14001:2004 Element 4.4.7 or ISO 14001:2015 Element 8.2 Emergency Preparedness and Response OHSAS 18001 Element 4.4.7 Emergency Preparedness and Response	Certification to ISO 14001 or OHSAS 18001 is current for the Entity's ASI Certification Scope

ASI Standard	Criteria	Recognised External Certification Scheme and Parallel initiatives	Specific Reference	Auditor Check
		and Safety System Requirements[2] or • SA 8000:2014 Social Accountability		
	3.1 Sustainability reporting	The Entity has prepared its Sustainability Report in accordance with relevant aspects of: • Part 1 and Part 2 of the G4 Sustainability Reporting Guidelines. *And* For Entities with Bauxite Mining, Alumina Refining, Smelting and Aluminium Remelt/Refining, the Sustainability reports must also adopt the relevant parts of the G4 Mining and Metals Supplement.	Relevant parts of the Guidelines	Validate that the relevant G4 GRI Guidelines have been used to disclose sustainability performance in the Entity's Sustainability Report.
	3.3b Payments to governments	The Entity engaged in Bauxite Mining is a current registered signatory to: • Extractive Industries Transparency Initiative (EITI)	Relevant parts of the EITI	Validate that the Entity is a registered signatory to EITI
	3.4 Stakeholder complaints, grievances and requests for information	The Entity holds current certification to: • SA 8000:2014 Social Accountability or • ISO 14001:2004 (until the end of 2018) or ISO 14001:2015 Environmental Management Systems: Requirements and guidance for use	SA 800 Element 9.6 Complaint Management and Resolution ISO 14001:2004 Element 4.4.3 or ISO 14001:2015 Element 7.4 Communication	Certification to SA 8000 or ISO 14001 is current for the Entity's ASI Certification Scope
	4.1a – Environmental life cycle	The Entity holds current certification to: • ISO 14001:2015	ISO 14001:2015 Element 6.1.2 Life cycle components of	Certification ISO 14001 is current for the Entity's ASI

[2] *ISO 45001 Occupational health and safety management systems -- Requirements with guidance for use* currently under development will be added to Table 3 and included in the Assurance Platform when it is published.

ASI Standard	Criteria	Recognised External Certification Scheme and Parallel initiatives	Specific Reference	Auditor Check
	assessment	Environmental Management Systems: Requirements and guidance for use and • has evaluated life cycle impacts of its major product lines for which Aluminium is considered or used in accordance with: – ISO 14044:2006 Environmental management – Life cycle assessment – Requirements and guidelines or – ISO 21930:2017 Sustainability in buildings and civil engineering works or – EN 15804 Environmental Product Declaration	Environmental Aspects and relevant parts of ISO 14044:2006	Certification Scope and implementation of ISO 14044:2006
	9.9 Security practice	The Entity has implemented and is a participant in the: • Voluntary Principles on Security and Human Rights	Relevant parts of the Voluntary Principles on Security and Human Rights	Validate that the Entity is a participant in the Voluntary Principles on Security and Human Rights
	10.1 Freedom of association and right to collective bargaining 10.2 Child labour 10.3 Forced or compulsory labour 10.4 Non-discrimination 10.6 Disciplinary	The Entity holds current certification to: • SA 8000:2014 Social Accountability	SA 8000 Elements: • 1 Child Labour • 2 forced or Compulsory Labour • 3 Health & Safety • 4 Freedom of Association and Right to Collective Bargaining	Certification to SA 8000 is current for the Entity's ASI Certification Scope

ASI Standard	Criteria	Recognised External Certification Scheme and Parallel initiatives	Specific Reference	Auditor Check
	practices 10.7 Remuneration 10.8 Working time 11.3 Employee engagement on health and safety		• 5 Discrimination • 6 Disciplinary Practices • 7 Working Hours • 8 Remuneration	
	11.1 Occupational Health and Safety (OH&S) policy 11.2 OH&S Management System 11.3 Employee engagement on health and safety 11.4 OH&S performance	The Entity holds current certification to: • OHSAS 18001:2007 Occupational Health and Safety System Requirements [3]	Entire Standard	Certification to OHSAS 18001 is current for the Entity's ASI Certification Scope
ASI Chain of Custody Standard	7.1a Due Diligence for Non-CoC inputs and Recyclable Scrap Material – Responsible Sourcing policy: Anti-corruption	The Entity holds current certification to: • ISO 37001 Anti-bribery management systems - Requirements with guidance for use	Entire Standard	Certification to ISO 27001 is current for the Entity's ASI Certification Scope
	7.3 Due Diligence for Non-CoC inputs and Recyclable Scrap Material – Complaints Mechanism	The Entity holds current certification to: • SA 8000:2014 Social Accountability	SA 800 Element 9.6 Complaint Management and Resolution	Certification to SA 8000 is current for the Entity's ASI Certification Scope

An up to date list of equivalency will be maintained in the ASI Assurance Platform, *elementAl*. The list will be periodically updated as additional applicable certification schemes and parallel initiatives are identified and reviewed by the ASI Standards Benchmarking and Harmonisation Working Group, the ASI Standards Committee and/or the ASI Secretariat. Requests for evaluation of other relevant external schemes not listed above should be sent to info@aluminium-stewardship.org

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[3] *ISO 45001 Occupational health and safety management systems -- Requirements with guidance for use* currently under development will be added to Table 3 and included in the Assurance Platform when it is published.

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4. The Certification Scope

4.1 Why is the Certification Scope important

The Certification Scope sets out what parts of a Business, Facilities and/or Product/Program are covered by an ASI Certification. This is sometimes also called the 'unit of certification'. It is very important that the Certification Scope be accurately documented, so that:

- The Member is clear what falls within the scope of an ASI Audit
- The Auditor is able to develop an appropriate Audit Plan to determine Conformance with the relevant ASI Standard/s
- A Member's Certification Scope is communicated clearly and accurately to stakeholders and business partners.

4.2 Flexibility in defining ASI Certification Scope

ASI offers flexibility to Members to define an appropriate Certification Scope that best suits their Business, Facilities and Products/Programs. The types of approaches that can be taken are described in Table 4 below, with examples further illustrated in Section 4.7 and section 4.8.

Table 4 – Approaches to defining ASI Certification Scope

Approach	Certification Scope	Examples	Suitable for
Business Level	A whole Member company, a subsidiary of a Member or a business unit of a Member.	'GreenAl Ltd', which runs a smelter and 2 rolling mills. The packaging division of a diversified Member.	Members that are interested in a business-wide certification. If the desired Certification Scope does not cover all relevant parts of the nominated Business, then a Facility Level or Product/Program Level approach must be taken instead.
Facility Level	A single Facility or group of Facilities which are a subset of a Member's total facilities.	A single mine. Five packaging manufacturing facilities out of a total of 50 operated by a Member.	Members that are interested in certification for only a selection of their Facilities. A minimum of one Facility is required under this type of Certification Scope.
Product/ Program Level	A single identifiable Product/Program or group of Products/Programs.	Low carbon aluminium. A car platform. A type of packaging. Material stewardship activities.	Members (usually Industrial Users) for whom a Product/ Program focus is more relevant than a Facility focus. A minimum of one Product/ Program as defined by the Member is required under this type of Certification Scope.

Note that corporate activities related to or supporting implementation of the Standard at a Facility level or Product/Programs level can still be assessed by the Auditor under these approaches. This could include for example, relevant policies, systems or procedures which are maintained at the corporate level but applicable at the Facility or Product/Program level. Members identify in their Self Assessment where Auditors can find evidence for Conformance against a particular requirement of an ASI Standard.

Where Members choose a Facility or Product/Program level approach to ASI Certification, or prioritise one part of the Business first, they are not limited to only one Certification. For example, different Facilities could be Certified separately if that suits the nature of the business.

It is expected that over time, Members will seek to expand their Certification Scope to include all Business, Facilities and Products/Programs within the Control of that Member that relates to the aluminium value chain with a particular focus on hot spot issues identified in the ASI Monitoring and Evaluation Plan and areas of Significant Risk[4]. Members are encouraged to define the Certification Scope with a view to continually improve its environment, social and corporate governance performance.

4.3   ASI Membership classes and supply chain activities

ASI membership is structured into 6 membership classes which have different roles and decision-making weight in ASI governance.

ASI Certification is open to ASI Members in either the 'Production and Transformation' and 'Industrial Users' membership classes. These classes include the following activities:

- **Production and Transformation**: Organisations with activities in one or more of: bauxite mining, alumina refining, aluminium smelting, aluminium re-melting or refining, semi-fabrication, and/or material conversion.

- **Industrial Users**: Organisations that manufacture consumer or commercial goods containing aluminium in the: aerospace, automotive, construction, consumer durables, engineering, IT, and similar sectors, and organisations in the beverage, food,

[4] A Significant Risk is usually defined by an Entity's or an Auditors' internal risk processes. However, it should consider situations where there is a high chance of:

- injury or illness to one or more people resulting in permanent partial impairment or disability or death
- long term irreversible impacts to the environment, sensitive species, habitat, ecosystems or areas of cultural importance)
- affecting large numbers of the local community (one stakeholder group) or multiple stakeholder groups and impacting on the Entity's ability to retain its 'social licence to operate'.

pharmaceutical or other sectors that use aluminium in packaging in their products. If an organisation carries out 'material conversion' (as described under Production and Transformation above) but is also eligible for the Industrial User class, they can nominate either of these two classes to join based on their desired level of ASI Certification.

Other ASI membership classes (Downstream Supporters, Civil Society, Associations, and General Supporters) are not eligible to seek ASI Certification. The ASI Governance Handbook and ASI Membership Information and Application Form, available from the ASI website, have more information about ASI Membership Classes.

ASI members in the Production and Transformation and Industrial Users classes are subject to minimum certification requirements as a condition of their membership.

Members in these classes must achieve certification against applicable requirements of the ASI Performance Standard for at least one facility or product line within two years of the launch of the ASI Certification system (or two years of joining ASI, whichever is later).

At a minimum:
- 'Production and Transformation' members must, within the applicable time, achieve certification against all applicable criteria in the ASI Performance Standard for at least one facility or product line. Members in this class carrying out Material Conversion have opted to apply the full Performance Standard to these activities, and not just the Material Stewardship criteria.
- 'Industrial Users' members must, within the applicable time, achieve certification against the Material Stewardship criteria in the ASI Performance Standard for at least one facility or product line. Members in this class carrying out Material Conversion have opted to apply only the Material Stewardship criteria in the ASI Performance Standard to their Material Conversion activities. However if additional supply chain activities (e.g. Semi-Fabrication) are included in the Entity's Certification Scope, then the associated criteria in the Performance Standard will be applicable to those activities, as described below.

ASI members select the relevant membership class on application to join ASI, and may change their membership class, where eligible for another class, at any time during their membership.

ASI Standards set out applicability of their Criteria according to defined supply chain activities. Selective applicability is indicated where a criterion either:
- <u>Does</u> apply to a specific sector (for example, criterion 5.3 in the ASI Performance Standard is applicable to Entities engaged in Aluminium Smelting); or
- <u>Does not</u> apply to a specific sector (for example, criterion 4.3 in the ASI Performance Standard on aluminium process scrap does not apply to Bauxite Mining and Alumina Refining).

The following extracts from the ASI Performance Standard and ASI Chain of Custody Standard show at a section level which Criteria may be applicable (i.e. for that supply chain activity), applicable if relevant (i.e. specified in the individual criteria) or not applicable.

The **ASI Performance Standard** applies to Entities engaged in different supply chain activities as follows:

Table 5 – Applicability of ASI Performance Standard Criteria for the supply chain activity

Supply chain activity	Applicability of Performance Standard Criteria										
	1	2	3	4	5	6	7	8	9	10	11
Bauxite Mining	■	■	■	■	■	■	■	■	■	■	■
Alumina Refining	■	■	■	■	■	■	■	■	■	■	■
Aluminium Smelting	■	■	■	■	■	■	■	■	■	■	■
Aluminium Re-melting/Refining	■	■	■	■	■	■	■	■	■	■	■
Casthouses	■	■	■	■	■	■	■	■	■	■	■
Semi-Fabrication	■	■	■	■	■	■	■	■	■	■	■
Material Conversion (Production and Transformation)	■	■	■	■	■	■	■	■	■	■	■
Material Conversion (Industrial Users)				■							
Other manufacturing or sale of products containing Aluminium				■							

Criteria shaded green are generally applicable to those supply chain activities, where they are within the Certification Scope of the Entity.

A more specific breakdown of applicability at the individual criteria level is contained in the Performance Standard Guidance chapters.

The **ASI Chain of Custody Standard** applies to Entities engaged in different supply chain activities as follows:

Table 6 – Applicability of ASI Chain of Custody Standard Criteria for the supply chain activity

Supply chain activity	Applicability of Chain of Custody Standard Criteria											
	1	2	3	4	5	6	7	8	9	10	11	12
Bauxite Mining	■	▨	■				▨	■		▨		▨
Alumina Refining	■	▨	■				▨	■		▨		▨
Aluminium Smelting	■	▨	■				▨	■		▨		▨
Aluminium Re-melting/Refining	■	▨		■			▨	■		▨		▨
Casthouses	■	▨				■		■		▨	▨	▨
Post-Casthouse	■	▨					■	▨	▨	▨	▨	▨

Code:

Applicable (■)	Applicable if relevant (▨)	Not Applicable

Criteria shaded green are generally applicable to those supply chain activities, where they are within the Certification Scope of the Entity.
Criteria shaded orange may be applicable to those supply chain activities – further information can be found in the criteria wording and the CoC Standard Guidance.

Note that in the CoC Standard, 'Semi-Fabrication', 'Material Conversion' and 'Other manufacturing or sale of products containing Aluminium' are collectively referred to as 'Post-Casthouse'.

Where an identified supply chain activity is included in an Entity's Certification Scope, then the relevant criteria are applicable as set out in the respective Standard, irrespective of ASI membership class.

This is particularly relevant when determining the applicability for an Entity that has nominated as an Industrial User (ASI Membership class) that wants to include in its Certification Scope supply chain activities in addition to Material Conversion such as Casthouse, Semi-Fabrication activities, or a facility that carries out Aluminium Re-melting/Refining on site.

For example, if an Industrial User member is also involved in Semi-Fabrication or Aluminium Re-melting/Refining, then the relevant parts of the ASI Performance Standard and/or Chain of Custody Standard would apply to those activities where they are included in the Entity's Certification Scope/s. The following table provides some examples of how the Entity's Certification Scope and ASI Membership class is used to determine which parts of the ASI Standard apply:

Table 3 – Examples of ASI Standard Applicability based on Membership Class and supply chain activity

Membership Class	Certification Scope Supply Chain Activities	ASI Performance Standard Application	ASI Chain of Custody Standard
Production & Transformation	Bauxite Mining only	All except Criteria 4.2, 4.3, 5.3, 6.7 and 6.8	All except Criteria 4, 5, 6 and 11
	Casthouse with Aluminium Re-melting/Refining	All except Criteria 3.3b, 4.2, 5.3, 6.6, 6.7, 8.4 and 8.5	All except Criteria 3 and 6
	Material Conversion (for example, packaging production)	All except Criteria 3.3b, 5.3, 6.6, 6.7, 8.4 and 8.5.	All except Criteria 3, 4 and 5
Industrial User	Material Conversion (for example, packaging production)	Only Criteria 4 (Material Stewardship)	All except Criteria 3, 4 and 5
	Material Conversion (for example, automotive die-casting)	Only Criteria 4 (Material Stewardship)	All except Criteria 3, 4 and 5
	Automotive assembly with in-house Aluminium Re-melting/Refining	• Criteria 4 applies to entire Certification Scope • All remaining Criteria (except 3.3b, 5.3, 6.6, 6.7, 8.4 and 8.5) apply to Aluminium Re-melting / Refining activities	All except Criteria 3 and 4

4.4   'Control' by an ASI Member and Joint Venture arrangements

A Business, Facility or Product/Program to be included within a Member's Certification Scope must be within the Control of that Member. 'Control' means direct or indirect ownership, direct or indirect power to remove, nominate or appoint at least 50% of the members of the Board or management, day-to-day executive management, or any legally recognised concept analogous to these (see Glossary definition).

It is the responsibility of the Member to demonstrate 'Control' of Entities and/or Facilities nominated to be part of their Certification Scope to the satisfaction of the Auditor. This should be done as part of the Self Assessment process when Certification Scope is defined, and prior to the audit planning stage.

An Entity seeking Certification that is structured as a joint venture could have equity vested in more than one ASI Member and/or organisations that are not members of ASI. The controlling operator of the Entity (one of the joint venture partners) must be an ASI Member, or the joint venture Entity itself could be an ASI Member, in order to seek ASI Certification.

An ASI Member that has equity in a joint venture Entity, but not Control, cannot include that Entity in their own Certification Scope. However where Performance Standard Certification is achieved by a joint venture Entity in which an ASI Member has equity, it can count towards that Member's commitment to achieve Certification for at least part of their business, even if that Member is not the controlling operator. It can also be linked to the Member's page on the ASI website.

4.5   Area of Influence and Associated Facilities

An Entity's 'Area of Influence' may extend beyond its own sites and operating facilities. The Glossary definition of Area of Influence for the ASI Performance Standard is drawn from the International Finance Corporation (IFC) Performance Standards and may include Associated Facilities.

Associated Facilities are structures that may or may not be funded as part of the project (funding may be provided separately by a client or a third party including the government), and whose viability and existence depend on the project and whose goods or services in turn are essential for the successful operation of the project. Examples of Associated Facilities include purpose built access roads, dams, ports and power generation. Associated Facilities not Controlled by the Entity may be subject to review by an Auditor under the above Performance Standard criteria. Factors to be taken into account in determining Conformance levels would include the ability to influence the environmental and social performance and impacts from these facilities, and any commercial and/or contractual limitations.

Criteria in the ASI Performance Standard which reference an 'Area of Influence' are:
- Water assessment (7.1)
- Biodiversity assessment (8.1)
- Cultural and sacred heritage (9.5)

4.6   Documenting the ASI Certification Scope

Each Member's Certification Scope will be different, reflecting their different sizes and activities and the applicable ASI Standard. The Self Assessment process in the online ASI Assurance Platform will require Members to document the following information about their chosen Certification Scope, which will be provided to Auditors:

- Legal name of the ASI Member
- Jurisdiction of incorporation
- ASI Membership class
- Contact details for key personnel, including the designated contact for correspondence regarding the ASI Certification process
- Name and head office details of the Entity/ies seeking Certification (which may be the whole of a Member, or a subsidiary or business unit) and for joint venture or similar situations, documented evidence that the Member has Control of these
- Designated approach to ASI Certification Scope (Business, Facility or Product/Program level):
  - *If Business Level:*

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- General description of the supply chain activities of the business that makes up the defined Certification Scope.
- Identification of all Facilities that fall within the Scope of the business – name of Facility, location (city/town, and country) and type (e.g. mine, manufacturing facility, smelter).
- Number of employees and contractors at each Facility and in total. Where a large number of facilities make this impractical, the number of employees and contractors can instead be documented at a country level and in total.
  - *If Facility Level:*
    - General description of the supply chain activities at the Facility or group of Facilities.
    - Identification of all Facilities that fall within the defined Scope – name of Facility, location (city/town, and country) and type (e.g. mine, manufacturing facility, smelter).
    - Number of employees and contractors at each Facility and in total.
  - *If Product/Program Level:*
    - General description of the Product/Program or group of Products/Programs, including scope of all projects or major expansions and relevant supply chain activities.
    - Identification of all relevant work groups and/or Facilities that relate to applicable criteria in the ASI Standard for the Product/Program or group of Products/Programs – name of Facility/work group, location (city/town, and country) and type (e.g. head office: design department, factory: sustainability group, regional office: government relations).
    - Number of employees and contractors at each Facility and in total.
- Information about any anticipated changes to the Certification Scope in the next three years. Changes may include anticipated and publically known acquisitions or divestments, subject to commercial sensitivities. Implications of unanticipated changes to the Certification Scope are described in section 10.2.

4.7 Examples of Certification Scope for the ASI Performance Standard

The following diagrams show examples of different approaches to Certification Scope. The choice of Certification Scope is made by each individual Member, as best suits their business.

Figure 3– Business Level Certification Scope – all of Member
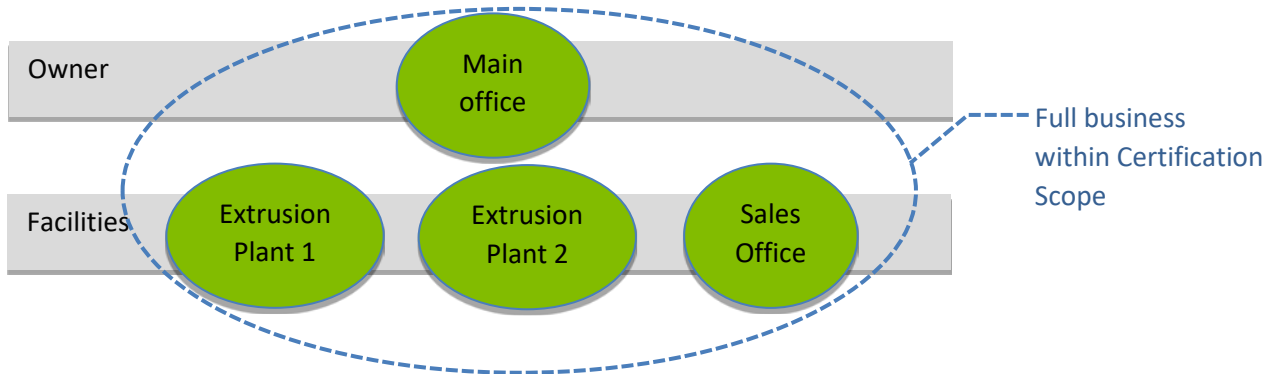
Figure 3 above illustrates a Business Level Certification Scope that encompasses all Entities and/or Facilities and Products/Programs that are under the Member's Control. It is the most comprehensive type of ASI Certification.

Figure 4 – Business Level Certification Scope – subsidiary of Member
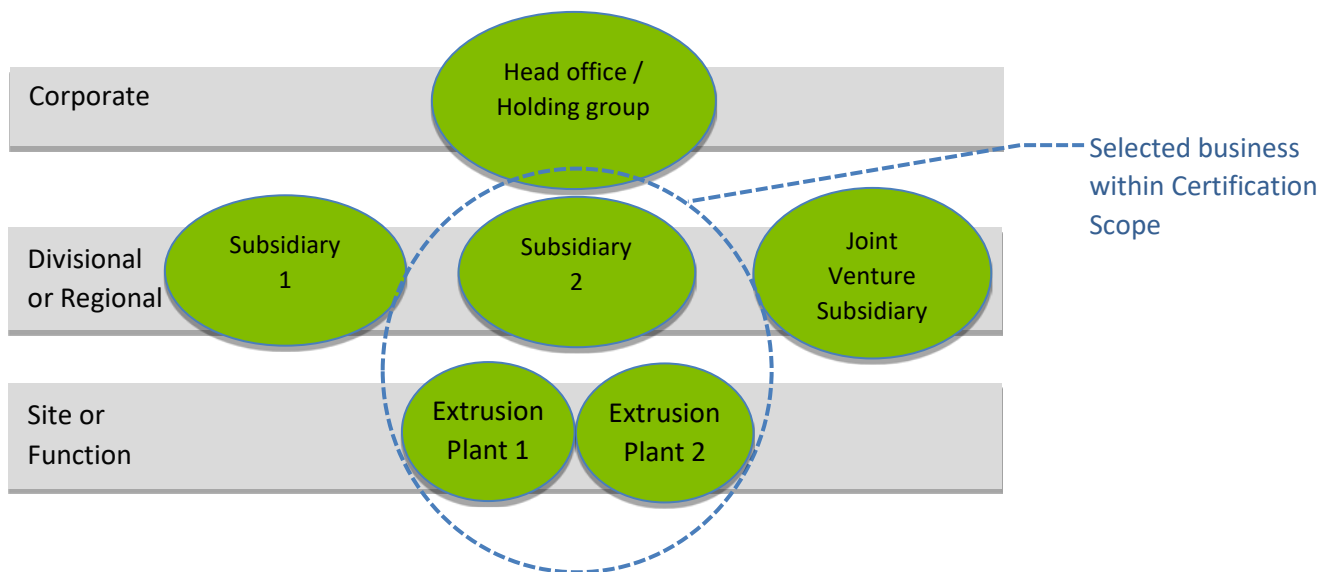
Figure 4 above illustrates another kind of Business Level Certification Scope that focuses in on a subsidiary or business unit that is under the Member's Control. The subsidiary may in turn own or control one or more Entities and/or Facilities.

Figure 5 – Facility Level Certification Scope
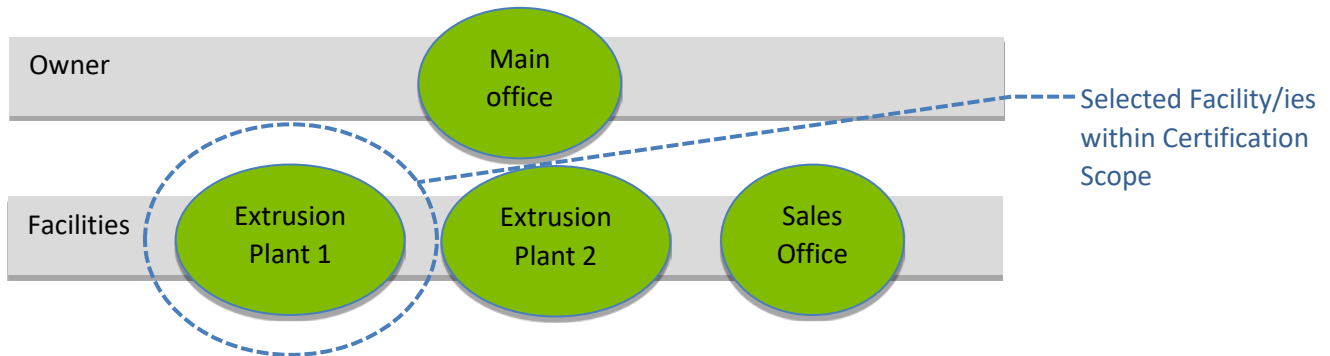
Figure 5 above illustrates a Facility Level Certification Scope. Note that while the main office or corporate headquarters may not fall within this example Certification Scope, it may be contacted or visited during the Audit to provide objective evidence for Conformance at the Facility level, for example company-wide policies or management systems, or interviews with senior management with overarching responsibility for relevant areas of the ASI Standard/s.

Figure 6 – Product/Program Level Certification Scope
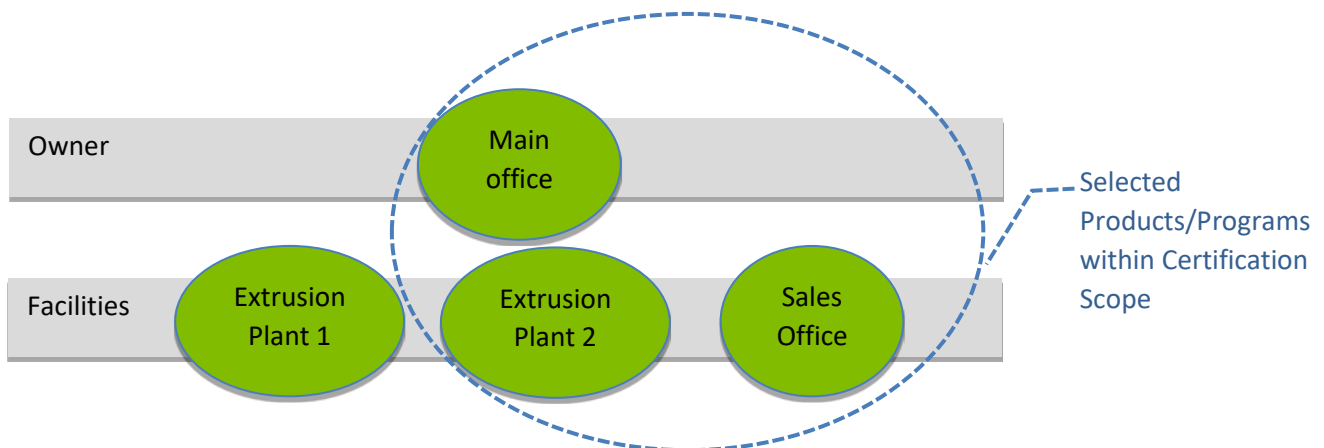
Figure 6 above illustrates a Product/Program Level Certification Scope. For example, the selected Products/Programs could be a particular line of window or door extrusions where architectural specifications may have designated a preference for ASI Certification. While a number of facilities are involved in these Products/Programs, the Certification Audit and resulting ASI Certification will be focused on the activities, systems and personnel that support those specified Products/Programs. The Member's Certification Scope will also determine what parts of the ASI Performance Standard apply based on the Member's Membership Class and the supply chain activities included in the Certification Scope.

4.8 Examples of Certification Scope for the ASI Chain of Custody Standard

The Chain of Custody (CoC) Certification Scope is defined by the Member/Entity seeking CoC Certification. It may be defined at a Business, Facility or Product/Program Level, but must identify:

- All Facilities under the Control of the Member that the Member/Entity intends to use for the extraction, processing, manufacturing, storage, handling, shipping and receiving, and marketing of ASI CoC Aluminium;
- All Outsourcing Contractors used by the Member to outsource processing, treatment or manufacturing of CoC Material that they own or control to Entities that themselves are not CoC Certified.

An ASI Member seeking CoC Certification must also be certified against the applicable requirements of the ASI Performance Standard (see section 3.1).

The Member's Certification Scope for the ASI Performance Standard and the Certification Scope for the ASI Chain of Custody Standard may be identical. Alternatively, the Certification Scopes for the Performance Standard and Chain of Custody Standard may be different. However the Certification Scope for the ASI Performance Standard must cover or include the Certification Scope for the ASI Chain of Custody Standard.

Figure 7 – Example of how Certification Scope for the ASI Performance Standard can differ from the Certification Scope for the ASI Chain of Custody Standard
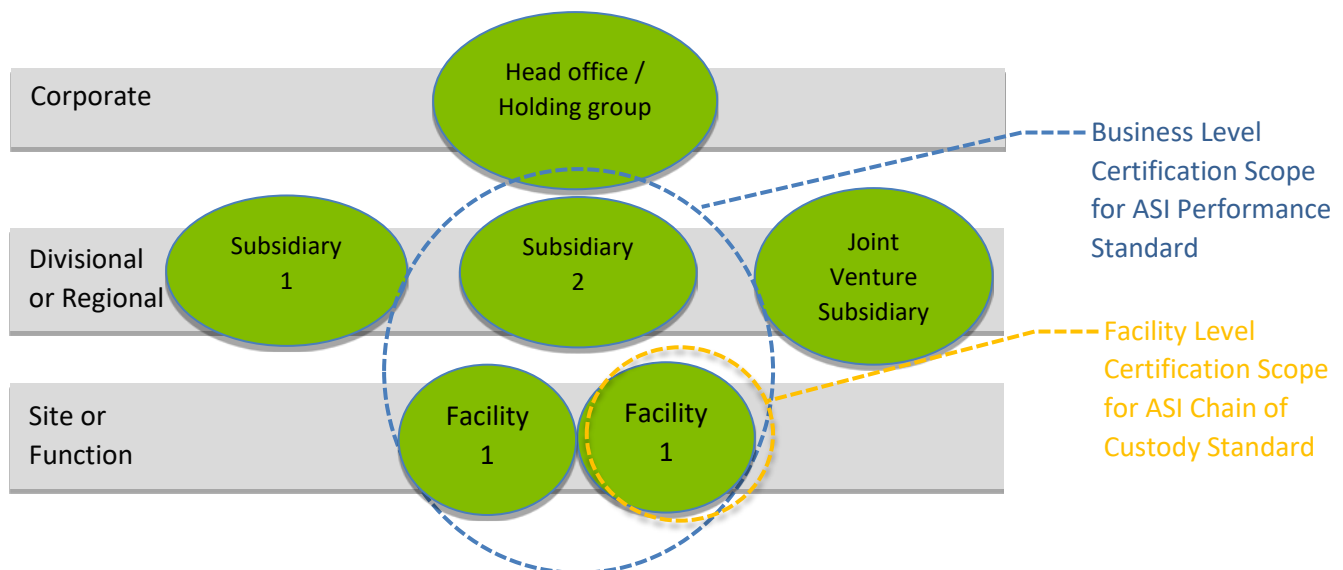
Figure 7 above illustrates an example of the Certification Scopes differing for the Performance Standard and the ASI Chain of Custody Standard. The Certification Scope for the ASI Performance Standard covers the Business Level of a subsidiary of the Member. The Certification Scope for the ASI Chain of Custody Standard is shown at the Facility level, which in this example may be because the Member's focus for CoC is initially on a subset of its operations.

5. Risk, Audit Types and Objective Evidence

5.1 Why adopt a Risk Approach to Assurance

The ASI assurance model is based on a comprehensive Risk management approach, designed to:

- Identify and address the risks to Members, Auditors and ASI, that are material to the overall credibility and integrity of ASI Certification
- Enable Members, Auditors and ASI to focus on those areas of implementation of the ASI Standards that are of higher Risk
- Add flexibility, efficiency and consistency by linking Audit intensity and frequency to the Member's Overall Maturity Rating
- Serve as an incentive to promote uptake and continual improvement by diverse businesses
- Enhance the relevance and impact of ASI Standards and Certification.

5.2 Risk-based Assurance Approach

There are a number of Risks that are material to the overall credibility and integrity of ASI Certification. These include, but are not limited to:

- Risks of Non-Conformances with ASI Standards and procedures
- Risks for people and environments which might be negatively affected by Members' operations
- Risks for the business integrity, governance and reputation of Members and Auditors
- Risks to the reputation of ASI due to inappropriate use of ASI Standards, ASI Certification and/or its intellectual property.

ASI's Risk-based assurance model, described in the sections below, is expected to be effective in:

- Increasing awareness of these types of Risks and minimizing them through improved management systems
- Reducing the likelihood of Non-Conformances with ASI Standards, which could lead to inability to gain or retain ASI Certification
- Helping Auditors to optimize Audit processes and costs through a better understanding of the nature and context of Member's operations
- Setting a framework that encourages Members to establish mature and effective systems and processes.

ASI aims to take a Risk-based approach to assurance that enhances consistency and materiality of Audits, while maintaining the role of Auditor judgement.

5.3 Risk Factors

An individual Member or Entity's exposure to Risks will be based on a number of factors, which include:

- Type of sector or business in the aluminium supply chain
- Global, regional and/or local context of operation/s

- Type, range and complexity of operations and activities
- Type, range and complexity of products
- Outcomes of previous ASI Audits (or other equivalent schemes recognised by ASI)
- Demonstrated management controls, for example through other audit programs
- Known Risks or issues in the public domain.

Information on these factors will be collected as part of the Self Assessment process, and will inform the Auditor's Audit planning and Audit Scope.

5.4   Establishing Maturity Ratings

ASI recognises that in practice, the different types and levels of Risks and the impact of these factors may vary significantly across different organisations, depending on the size and context of operations, types of supply chain activities, existing management systems, as well as the organisation's culture.

ASI's Risk-based assurance model thus frames this potential variability in terms of 'Maturity Ratings' for the Entity's three Maturity Categories:

- **Systems** - repeatable and organised processes, which should be are *implemented*, *understood* and *effective* at managing and controlling the key aspects of the Entity's business activities, products and services.
- **Risks** – an indication of the potential impacts to the environment, affected stakeholders (internal and external) and the value chain based on the scale, nature and scope of the Entity's activities, products and services; and
- **Performance** – measurable governance, environmental and social outcomes (for the ASI Performance Standard) and/or implementing of chain of custody controls (for the ASI Chain of Custody Standard) based on the scale, nature and scope of the Entity's activities, products and services.

The Ratings are determined as either Low, Medium or High and may change over time (see section 5.5), ideally following a continual improvement model.

As shown in Figure 8, a progression towards a state of higher maturity means:
- greater effectiveness of systems
- understanding and control of risks
- continual improvement culture with proven performance

and
- targeted , effective and less burdensome audits.

Figure 8 – ASI Maturity Model
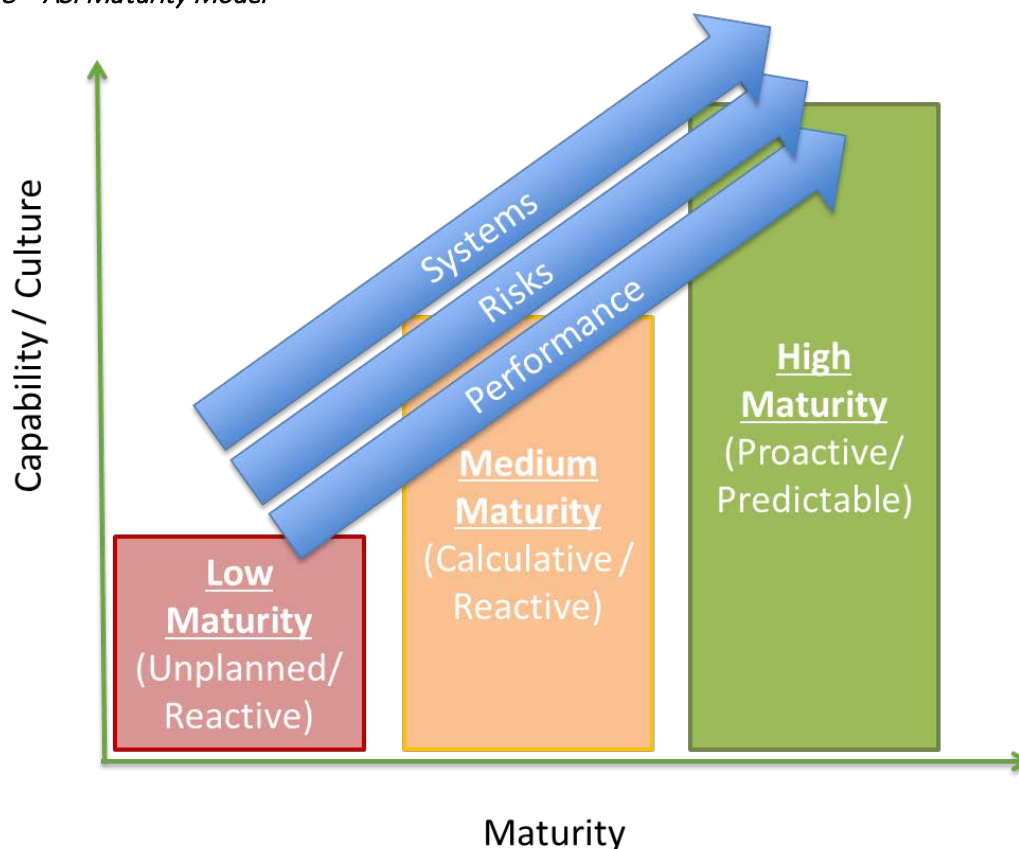
The Self Assessment and the Audit provide a process to establish, review and verify Maturity Ratings for Systems, Risk and Performance, through the ASI Assurance Platform. At the conclusion of the Audit, the Auditor will determine the Overall Maturity Rating. Figure 9 below illustrates the process.

Figure 9 – Establishing, Reviewing and Verifying Maturity Ratings

Member completes Self Assessment against applicable Criteria for the Certification Scope

→ Member establishes preliminary Maturity Ratings for Systems, Risk and Performance (Table 8)

→ Member's Maturity Ratings reviewed by Auditor for planning of Audit Scope and then verified during Audit

→ Auditor determines Overall Maturity Rating and implications for Audit Scope (Table 9, 10 and 11)

Maturity Ratings will be entered into the ASI Assurance Platform, based on which ASI Standard is being assessed as illustrated in Figure 10 and described below:

Figure 10– Determination of ASI's Overall Risk Maturity
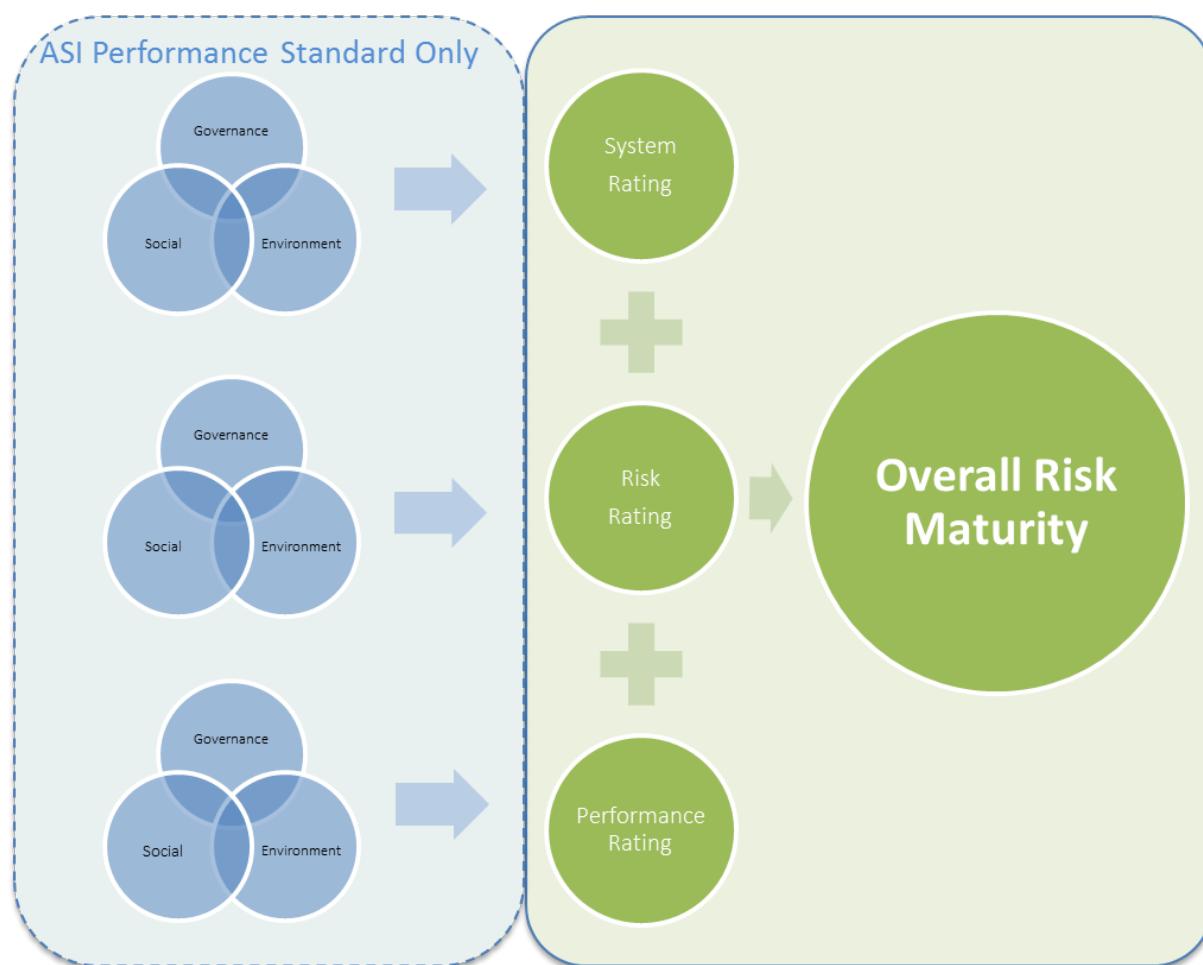
ASI Performance Standard

- When conducting a Self Assessment or an audit of the ASI Performance Standard, the user will be asked to disaggregate the Maturity Rating (Low, Medium or High) for each of the Maturity Categories (System, Risk and Performance) into the three Sustainability Components built into the ASI Performance Standard:
  o Governance
  o Environment
  o Social

ASI Chain of Custody Standard

- When conducting a Self Assessment or an audit of the ASI Chain of Custody Standard, the user will be asked to select the Maturity Rating (Low, Medium or High) for each of the Maturity Categories (System, Risk and Performance).

5.5 Description of Maturity Ratings with guidance – Systems, Risk and Performance

Members and Auditors will determine the Maturity Ratings for each of the three categories – Systems, Risk and Performance, in accordance with the descriptors for Low, Medium and High provided in Table 8.

The table includes guidance with examples indicating how the Maturity Ratings apply for the ASI Performance Standard and the ASI Chain of Custody Standard. The examples also explain how to differentiate between the sustainability components in the ASI Performance Standard (namely, Governance, Environment and Social), as well as their application with respect the scale, nature and scope of the Entity's business (i.e. large global operations versus smaller businesses).

Table 8: Maturity Level Description with guidance

| Category	Level of Maturity Description per Category		
	Low	Medium	High
Systems *Reminder:* *For the ASI Performance Standard, select a Maturity Rating (Low, Medium or High) for each Sustainability Component Governance, Environment and Social.* *For the ASI Chain of Custody Standard, only select one Rating (Low, Medium or High).*	• Relative to the size and scope of the operation, ill-defined, limited or no systems, processes, plans and procedures • Little or no management oversight	• Systems, processes, plans and procedures driven by compliance with local laws • Improvement systems developed but not fully or effectively implemented or reviewed • New systems for critical controls or performance requirements	• Mature systems developed, implemented and effective to drive continual improvement • Roles and responsibilities understood • Independent parallel audit program (internal or external) • Strong management control and oversight

<u>Guidance notes with examples:</u>

Systems are repeatable and organised processes, which should be *implemented*, *understood* and *effective* at managing and controlling the key aspects of the Entity's business activities, products and services:

- For the ASI Performance Standard, Systems relate to the environmental, social and governance principles and criteria, with the aim to address sustainability issues in the aluminium value chain.
- For the ASI Chain of Custody Standard, Systems relate to the systems and processes that enable the Entity to control and account for the movement of CoC Material (and/or ASI Credits).

The nature and complexity of systems may vary based on the size, scope and nature of the Entity's business operations:

- In larger and more complex organisations, it is typical for Systems to be formally documented such as in plans, procedures and work instructions. Systems for larger organisations may be tailored and developed to reflect the diverse and complex nature of its business activities often covering different jurisdictions. However, comprehensively documented or complex systems don't *always* result in effective and repeatable processes. For example if the processes described in documented plans and procedures are either not followed or differ to how activities are conducted in practice, them an Entity should be rated as having Low or Medium Maturity in terms of its Systems, depending on factors such as the nature, extent and consequence of departure from of these documented plans and procedures.
- In smaller businesses, it is still possible to have mature systems with less formal or documented procedures. Systems for smaller organisations may be paper based rather than electronic, rely on relationships and understanding of respective roles and responsibilities, and/or have personnel that are multi-skilled across different parts of the business to accommodate the limited availability of resources (people, financial, technological, etc.). Smaller businesses may rely on tools and processes made available by local governments or even industry associations rather than developing their own. However, the lack of complexity or sophistication does not mean that a small business has Low rated Systems. If the small business can show that it has well-practised processes that are understood and followed by all affected personnel, the Entity may rate as having Medium or High Maturity in terms of its Systems.

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Category	Level of Maturity Description per Category		
	Low	Medium	High
Risk _Reminder:_ _For the ASI Performance Standard, select a Maturity Rating (Low, Medium or High) for each Sustainability Component Governance, Environment and Social._ _For the ASI Chain of Custody Standard, only select one Rating (Low, Medium or High)._	• Limited risk identification and assessment process • Ineffective control of risks • Limited checks or maintenance of control effectiveness	• Risk assessment not integrated or applied equally throughout organisation • Risk controls implemented but not systematically checked • Some awareness of risk • Focus on risk monitoring rather than risk reduction • Material risks accepted to maintain operation	• Integrated risk management (part of planning & decision making) • Material risks not tolerated unless accepted at Board level • Strong risk appetite drive to risk profile reduction • Industry best practice controls

<u>Guidance notes with examples:</u>

Risk is an indication of the potential impacts to the environment, affected stakeholders (internal and external) and the value chain based on the scale, nature and scope of the Entity's activities, products and services. This extends to how well these potential risks are known, understood and accepted by the Entity.

The nature and significance of potential risks may vary based on the size, scope and nature of the Entity's business operations. Examples which can be used to determine the Risk Maturity Rating include:

- Low Risk Maturity Rating if:
  o working in locations known for corrupt regulatory and /or government practices without effective controls
  o conducting untested or highly speculative activities.
- Medium Risk Maturity Rating if:
  o working in locations known for corrupt practices but able to demonstrate effective internal controls to avoid complicit involvement in the local corruption
  o using proven practices that meet local and basic international environmental and social standards.
- High Risk Maturity Rating if:
  o working in stable regimes that have enshrined international protocols relating to environmental, social and corporate governance into regulatory framework
  o using proven, advanced or innovative technology and processes.
- An Entity with mining activities that has identified assessed and implemented controls which are actively monitored to prevent and mitigate against detrimental impacts to the environment, may be assessed as High Maturity in terms of the Risk category.
- A small businesses may not be aware of its regulatory obligation regarding governance or safety requirements, and whilst it has had no incidents, may be at risk of regulatory breaches or involvement in corrupt practices, even unwillingly. This is often due to limited availability of resources. In this case, the small business may rate as Low in terms of Risk Maturity. The ASI Performance Standard Guidance and the ASI Chain of Custody Standard Guidance provide additional guidance on how small businesses can mitigate these risks. For example a small business may be part of an industry association that offers its members legal assistance in the jurisdictions where it operates. Alternatively, small businesses may access information directly from government bodies which often provide tools

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Category	Level of Maturity Description per Category		
	Low	Medium	High
	specifically designed to help small businesses understand and comply with relevant obligations. If a small business adopts these measures, it may be able to establish its Risk Maturity Rating as Medium or High. • A Risk Maturity Rating for an Entity implementing the ASI Chain of Custody Standard may be influenced, for example, by the level of due diligence it undertakes in regard to its suppliers. For example, an Entity's Risk Maturity Rating may depend on how well it knows its suppliers either directly or via reputation (especially for small businesses) or via detailed vetting and prequalification procedures often used by procurement departments in larger organisations.		
Performance *Reminder:* *For the ASI Performance Standard, select a Maturity Rating (Low, Medium or High) for each Sustainability Component Governance, Environment and Social.* *For the ASI Chain of Custody Standard, only select one Rating (Low, Medium or High).*	• No predictable results • Gaps in awareness of applicable law • Evidence of regulatory compliance breaches • History of audit non-conformances under ASI or equivalent schemes • Non-conformance and non-compliances have potential to significantly impact personnel, environment and/or community	• Predictable performance meeting basic industry standards • Has regulatory licence to operate • Minor regulatory breaches • Internal audit programs only • Evidence of recurring non-conformances • Some non-conformance and non-compliances but unlikely to significantly impact personnel, environment and community	• Advanced performance • Maintains 'social' licence to operate' • External benchmarking of performance • Assisting with external policy setting • Early problem (non-compliance, non-conformance, etc.) detection and correction • Technical non-compliances (i.e. administrative issues, or late payment fees)

Guidance notes with examples:

Performance can be taken as measurable outcomes that reflect the intended impacts and results of ASI's Standards:

- For the ASI Performance Standard, Performance can be measured in terms of governance, environmental and social indicators such as:
    - Governance – number of internal and external assurance assessments, transparent and visible reporting of an Entity's results (production, financial, sustainability), compliance breaches, etc.
    - Environment – volume of waste generated and percent reduction over time, energy efficiency and greenhouse gas emissions, implemented net positive biodiversity offsets, etc.
    - Social – occupational health and safety incidents, well-being initiatives, contribution to local community (e.g. employment, training, donations), etc.
- For the ASI Chain of Custody Standard, can be measured in terms of the effectiveness of the controls that enable the Entity account for the movement of CoC Material (and/or ASI Credits).

Examples of Performance measures include:

- ASI Performance Standard – How well or poorly an Entity can demonstrate that it not only measures and reports its safety performance, but that over time is reducing the number of and severity of the safety incidents.
- ASI Chain of Custody Standard – Tracking and reporting metrics from the Entity's mass balance accounting system indicating the quantities of ASI Material produced and sold.

Because the above descriptions provide an overview of the Systems, Risk and Performance of the Entity within their Certification Scope, the determination of Maturity Rating is best done at the completion of the Self Assessment or Audit evaluation. In this way, it can function as a summary reflection of the individual conformance ratings against applicable Criteria.

Note that the descriptors and conditions used to determine the System, Risk and Performance Maturity Ratings are incorporated into the ASI Assurance Platform. The examples that user will see will depend on which ASI Standard is being evaluated, and whether the organisation has nominated as being small business or a larger organisation.

> **ASI Performance Standard Governance, Environment and Social**
>
> *How do I determine the Maturity Ratings if I have different Systems, Risks and Performance regarding the Governance, Environment and Social aspects of the ASI Performance Standard?*
>
> The ASI Assurance Platform will prompt Members conducting a Self Assessment and Auditors conducting an Audit for the ASI Performance Standard to assign Maturity Ratings for Systems, Risks and Performance in terms of the three sustainability components:
> - Governance
> - Environment
> - Social
>
> The final Maturity Rating for the Maturity Category is set based on the combination of scores for the Sustainability Components as described in Table 9. For example, if an Entity is found to have a Maturity Rating of high for governance and environment but low for social in terms of the Systems category, then as per the conditions in Table 9, two high's and one low result in a *Medium* combined score for Systems.

5.6   Overall Maturity Ratings

The auditor will determine the Overall Maturity Rating which is determined based on the combination of the individual Maturity Rating for each of the Maturity Categories (Systems, Risk and Performance).

For assessments involving the ASI Performance Standard, a precursor step is required to combine the separate scores assigned to the Sustainability Components (Governance, Environment and Social) described in section 5.4. The following table describes the conditions to derive the combined score:

Table 9: Combined Rating for the ASI Performance Standard Sustainability Components

Combined Sustainability Component Ratings	Conditions	Example of Collective Rating for Sustainability Components (*Performance Standard Only*)
High	Three High Ratings *or* Two High Ratings and one Medium	High for Governance and Social but Medium for Environment
Medium	Two or more Mediums *or* Two High Ratings and one Low *or* One High, one Medium and one Low	High for Governance and Social but Low for Environment *or* High for Governance, Medium for Environment and Low for Social
Low	Three Low Ratings *or* Two Low Ratings and one Medium	Low for Governance and Social but Medium for Environment

The Overall Maturity Rating captures the following variables:

- **High Overall Maturity Rating**: The Member has mature management systems, effective control of risks or leading performance for the defined Certification Scope, and is expected to have low risk of Non-Conformance, and/or minimal potential for detrimental impacts on people and/or the environment, and/or effective controls are in place to control the Risk/s.
- **Medium Overall Maturity Rating**: The Member has some management systems, risk controls or average performance for the defined Certification Scope, and is expected to have moderate risk of Non-Conformance, and/or moderate potential for detrimental impacts on people and/or the environment, and/or unreliable controls are in place to control the Risk/s.
- **Low Overall Maturity Rating**: The Member has immature or limited management systems, ineffective risk controls or below average performance for the defined Certification Scope, and is expected to have high risk of Non-Conformance, and/or potential for significant detrimental impacts on people and/or the environment, and/or there are insufficient controls in place to control to the Risk/s.

Table 10 shows how the Overall Maturity Rating is determined based on each of the Maturity categories (i.e. Systems, Risk and Performance), with examples:

Table 10: Overall Maturity Rating Description

Overall Maturity Rating	Condition	Examples of Overall Maturity Ratings (OMR)
High	Three High Ratings *or* Two High Ratings and one Medium	2 High's plus 1 Medium = High OMR
Medium	Two or more Mediums *or* Two High Ratings and one Low *or* One High, one Medium and one Low	2 Mediums plus 1 high = Medium OMR Or 1 Low plus 1 Medium plus 1 High =Medium OMR
Low	Three Low Ratings *or* Two Low Ratings and one Medium	2 Low's plus 1 High = Low OMR

5.7   Implications of Overall Maturity Ratings for Audit Types

While the Member's preliminary Maturity Ratings for the first Self Assessment will be reviewed by Auditors in determining the Audit Scope for the first Certification Audit, the Overall Maturity Rating has implications for the frequency, intensity and scope of future Surveillance and Re-Certification Audits.

Table 11 provides guidance on the nature, type and duration of Audits based on the Overall Maturity Rating.

Table 11: Frequency of Surveillance and Re-Certification Audits based on Overall Maturity Rating

Audit	Frequency	Low Overall Maturity Rating	Medium Overall Maturity Rating	High Overall Maturity Rating
Certification	Initial audit to achieve ASI Certification	Overall Maturity Rating not determined until conclusion of Certification Audit. Auditor to define Audit Scope taking account of: • Applicable Criteria • Entity's Self Assessment • Member's preliminary Maturity Ratings with focus on areas with lower Maturity Ratings		
Provisional Certification - Surveillance (Major Non-Conformances with approved Corrective Action Plan)	Within 6 months of previous Certification (or Recertification) Audit	Site audit ~1/3 time duration for Certification Audit if Certification Scope unchanged.	Site audit ~1/3 time for certification audit if Certification Scope unchanged. May be desktop if feasible.	Not Applicable
Full Certification - Surveillance #1	Within 6-12 months of previous Certification (or Recertification) Audit	Site audit ~1/3 time duration for Certification Audit if Certification Scope unchanged.	Only one Surveillance Audit required. Site audit ~1/3 time for Certification Audit if Certification Scope unchanged. May be desktop if feasible.	Not required unless: • There is change to Certification Scope • Auditor determines Surveillance Audit required to monitor a Corrective Action (can be by desktop review) • Otherwise requested by the Member
Full Certification - Surveillance #2	Within 12-24 months of previous Certification (or Recertification) Audit	Site audit ~1/3 time duration for certification audit if Certification Scope unchanged.		
Recertification	At end of Certification Period	Site audit same time for certification audit if Certification Scope unchanged.	Site audit ~3/4 time for certification audit if Certification Scope unchanged.	Site audit ~1/2 time (min) for certification audit if Certification Scope unchanged.

Over time, the Audit Scope should address and focus on those parts of the Entity's Certification Scope where Ratings for each Maturity Category (Systems, Risk and Performance) and where relevant, the Sustainability Components (Governance, Environment and Social for the ASI Performance Standard only), contribute unfavourably to the Overall Maturity Ratings.

5.8   Implications of Overall Maturity Ratings for Estimated Audit Time

Guidance for the <u>on-site</u> time for Certification Audits, taking into account Overall Maturity Rating and scope of the ASI Standard, is provided in the table below. These are based on estimates for management system certification schemes as published by the International Accreditation Forum. This Guidance is not prescriptive and Auditors should determine the necessary on-site time relevant for the defined Certification Scope.

Note that for the first Certification Audit, an Overall Maturity Rating will not have been determined in advance. The 'Low Maturity Rating' column should therefore be used by Auditors as a starting point.

Table 12: Guidance to estimate the on-site time (person days) for Certification Audits

Number of Personnel working in Facilities included in the Certification Scope [1]	Low Overall Maturity Rating	Medium Overall Maturity Rating	High Overall Maturity Rating	Performance Standard: Material Stewardship Criteria only
1-25	1.5-2	1-1.5	1	0.5-1
25-100	2.5-3	2-2.5	2	1-1.5
100-500	3.5-4	3-3.5	3	1.5-2
500-1000	5-6	4-5	4	1.5-2
1000-5000	8-10	6-8	5-6	2-3
5000-10000	10-15	8-10	6-8	2-3
>10000	>15	10-15	7-10	3-4

[1]*Note: the number of part-time personnel (employees and contractors) should be treated as full-time equivalents (FTEs) based on the number of hours worked as compared with full-time personnel.*

The actual planned on-site time will vary based on factors including:
- the number and nature of sites in the Audit Scope (see section 8.5.2)
- the objective evidence sampling regime required to achieve the Audit objectives (see section 5.12 and 8.5.2)_

For Surveillance Audits, the frequency and intensity is related to the Overall Maturity Rating for the defined Certification Scope and the applicable Criteria. Guidance is provided in the Table 13 below. In general terms, where the Certification Scope remains unchanged, the time required for Surveillance Audits should be approximately one-third to one-half the time spent on the initial Certification Audit. However if as a result of a Certification Audit, an Auditor determines that progress on a large number of Corrective Action Plans require review, the on-site time for a Surveillance Audit may be greater than below.

Table 13: Guidance to estimate the on-site time (person days) for Surveillance Audits

Number of Personnel working in Facilities included in the Certification Scope [1]	Initial Certification (on-site Audit person-days)	On-site time for Surveillance Audits (on-site Audit person-days)	Surveillance Audit for Material Stewardship (if applicable)
1-25	1-2	0.5-1	0.25
25-100	2-3	1-1.5	0.5
100-500	3-4	1.5-2	0.5-1
500-1000	4-6	1.5--3	0.5-1
1000-5000	5-10	2-3.5	0.5-1.5
5000-10000	6-15	2-4	0.5-1.5
>10000	7-15+	2.5-5	0.5-2

[1]*Note: the number of part-time personnel (employees and contractors) should be treated as full-time equivalents (FTEs) based on the number of hours worked as compared with full-time personnel.*

It is important to note that that the total time required by an Audit is around twice that the time that is spent on-site at a Member's premises (which are the figures in Tables 12 and 13). As a rule of thumb, the time required for an Audit is distributed as follows:

- 30% of time devoted to planning and preparation
- 50% of time for the on-site component of the Audit
- 20% of time for post-audit follow-up and reporting

The cost of an Audit is a direct function of the time required and the rates charged by the Auditor. Rates vary based on the market and are subject to commercial arrangements between the Member and the Auditor. To achieve efficiencies, Members have the option of combining Audits for the ASI Performance Standard and ASI Chain of Custody Standard, where this is relevant. ASI also supports harmonisation and recognition of existing certifications (see section 3.7). Members can thus consider scheduling ASI Audits to occur alongside audits for other similar standards, which can potentially reduce overall assurance costs. Note that ASI's Audit objectives must still be met.

5.9   Types of Objective Evidence

Objective Evidence is verifiable information, records, observations and/or statements of fact gathered during a Self Assessment and/or an Audit. Objective Evidence can be qualitative or quantitative and may be in the form of one or more of the following:

- Documentation
- Observations
- Testimonials

Documentation may include policies and procedures necessary to implement the ASI Standard or records generated from the implementation of processes and procedures. Note that in small businesses, systems do not have to be documented to be effective (see section 5.10).

Information gathered though observations of activities and practices can also be used as objective evidence. However it is important to verify understanding of what has been observed.

Testimonials or information gathered from interviews with personnel and other external stakeholders (such as affected communities, including Indigenous peoples) are also an important source of objective evidence. Testimonial evidence can be verified by reviewing records, through on-site observations or by interviewing other personnel to triangulate information.

As Objective Evidence is used to support ratings of Conformance, it is vital that it is clearly and unambiguously recorded during Self Assessments and Audits.

5.10   Period of Records and Documentary Evidence

The following table provides guidance on the period of records and documentary evidence that should be reviewed as objective evidence. In some cases, earlier records may also be relevant.

Table 14 – Period of Records and Documentary Evidence by Audit Type

Audit Type	Period of Records (See also Note 1 below)
Self Assessment / Initial Certification Audit	Previous 12 months
Surveillance Audit	Period since previous Certification / Recertification Audit depending on timing of Surveillance Audit
Re-Certification Audit	Previous 36 months for a 3 year Certification Period. Previous 12 months for a 1 year Provisional Certification Period.

Note 1:

In some circumstances, historical records that go back further than the suggested periods in Table 14 may be required. This includes the following situations:

- *To verify conformance with specific criteria in the ASI Standards or to verify effectiveness of corrective actions that require longer than the recommended completion time frame (see section 6.4, Table 19).*
- *To conform with the ASI Chain of Custody Standard criterion 1.6 which requires the Entity to maintain up to date records covering all applicable requirements of the CoC Standard and to retain records for a minimum of five (5) years.*

5.11   Sampling Techniques

The process of collecting Objective Evidence involves sampling documentation and records, interviewing a representative selection of personnel and other stakeholders, and observing the key functions of the Member's business.

Sampling should be carried out to access enough evidence to verify that systems and processes are adequately designed and in place, and are effective. Sampling methods should be selected that can identify representative samples which are not biased in some way. Sample sizes need to be sufficient to provide a reasonable level of confidence that it is representative of the larger population.

Effective sampling should result in the same findings, or findings that are not materially different, to those if a different sampling set had been selected. Ultimately, the sample must be enough to objectively support a finding of Conformance or Non-Conformance with the Standard's requirement. In principle, enough information has been gathered if:

- The performance and management system is well understood

- Personnel performing key functions and tasks have been interviewed
- There is sufficient evidence to identify the probable root cause of a Non-Conformance.

Often Auditors can be confronted by high numbers of documents, records, transactions and employees. Time constraints prevent the Auditor from examining every document and interviewing every employee. To help ensure samples selected are appropriate and defensible, the following six steps can be considered:

1. **Determine and review the objective of the particular criteria in the standard**. If it is overall compliance about a routine activity, the Auditor may need to look at a range of records (e.g. monitoring results, or invoices). If it is a simple requirement to have something in place, for example a policy or a risk assessment, sampling may not be necessary.

2. **Identify the population of information that is available**. What is the population of records and/or employees that are available for review, and which are relevant to the part being audited? For example, when verifying induction training for contractors, the population of contractors can be determined by interviewing the relevant manager, or by reviewing a list of approved contractors. It is important to establish the population before taking a sample, since all Audit findings and conclusions will be based on what has been sampled.

3. **Select a sampling method**. Two general types of sampling can be used – judgmental sampling and probabilistic sampling.
   a. Judgmental sampling involves leaning the sample towards a particular subset of the overall population. Examples of judgemental sampling include:
      - an auditor may have identified a recently completed product design process. The auditor may decide to focus the sampling activities on this new product to assess how life cycle performance has been integrated into the design process
      - Interviewing contractors (if appropriate and safe to do so) that happen to be working at the Facility site on the day of the audit
      - Interviewing community stakeholders, which may include Indigenous Peoples, affected by the Member activities as it relates to the Certification Scope.
   b. Probabilistic sampling aims to ensure that the sample represents the entire population under review. There are four main probabilistic sampling methods:
      i. *Random sampling*: Random sampling is the most widely used probabilistic sampling method, and ensures that all parts of the population have an equal chance of being selected. The sample must be selected by the auditor, not the auditee.
      ii. *Block sampling*: The objective of block sampling is to draw conclusions about the population by examining certain segments or clusters of data that have been selected at random. This method can be employed when the population is very large and selecting and examining a purely random sample would be time consuming. For example, a company may be monitoring air emissions twice per day, five days per week. Rather than select a random sample from about 489 test results (about 12 months of monitoring records), the auditor may select all records generates on Wednesdays for April, July and October.

    iii.   *Stratification sampling*: This method can be used when there are wide variations in the size or characteristics of the population. It is similar to block sampling and breaks up the population into groups or subsets, such as day shift/night shift, full-time/casual employees, high volume/low volume etc. For example, an auditor may discover that information about labour rates and deductions tend to be less formal during busy periods of production. The auditor can decide to focus sampling during these busy periods.

    iv.   *Interval sampling*: This method selects samples at various intervals, where, for example, every nth segment of the population is analysed. As in random sampling, every item must have an equal chance of being chose, so the first item selected in interval sampling must be at random. The sampling interval is normally determined by the dividing the total population by the desired sample size. As an example, an auditor may want to verify whether weekly workplace inspections have been carried out over the past twelve months. For a desired sample of ten weekly inspection reports from the 52 weeks of review, this would require a sampling interval of every fifth report. If the starting point selected were four, the auditor would sample the reports for week 4, 9, 13 etc.

4.   **Determine an appropriate sample size**. Sample sizes can be determined either statistically or on the basis of the auditor's professional judgment. The latter is more commonly used in management systems auditing. Auditors must keep in mind that the size of the sample, particularly in relation to the total population, will naturally influence the confidence in the Audit results. See section 5.12 below for more information on statistical sampling.

5.   **Conduct the sampling**. Once the sampling method and sample size have been determined, sampling can commence. To reduce any chance of bias, it is important that the sample is selected by the auditor rather than the auditee. Care must also be taken to ensure that the right population is being sampled. For example, if the auditor wishes to verify that contractors have received induction training, selecting training records from the training department may only show those contractors that have been trained. It is better to obtain a list of all contractors who have been on site and select the sample from this listing.

6.   **Document the results**. The final step in the sampling process is the documentation of results. The following information should be recorded:
    a.   The objective of the process being audited
    b.   The population under review
    c.   Type of sampling method employed and reasons why
    d.   The sample size selected and reasons why
    e.   The results of the sample.

5.12   Statistical Sampling

While samples sizes in management system auditing can often be determined on the basis of the auditor's professional judgment, there may be situations where a statistical approach is more relevant.

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In most audit situations, it may be adequate to review 10% of the overall population to determine Conformance with requirements. However sampling 10% may be too cumbersome or time-consuming when confronted with large populations. In such circumstances, a smaller sample size will need to be selected. By employing a statistical approach, the Auditor can be aware of the confidence level in the overall state of conformance of the population under review.

Standards such as Military Standard 105D (Sampling Procedures and Tables for Inspection by Attributes) have been in use for many years for quality control. These standards provide a range of sampling plans and tables depending on the acceptable quality level desired. The following two tables are adapted from Military Standard 105D and can be used as a starting point to determine the optimum sample size and confidence in the sample size, particularly in high-risk processes or functions.

Table 15 below illustrates the suggested minimum sample size based on the size of the population using the Military Standard 105D techniques. The minimum sample should be used as a starting point for sampling documentary evidence (e.g. records, procedures, monitoring results, etc.). For example, for a total population of 2500 records, 315 records should be sampled.

Table 15: Minimum Sample Size (n) based on Population Size by technique

Population size (N)	Minimum sample size (n) as per **Military Standard 105D**
2-8	All
9-15	9
16-25	10
26-50	13
51-90	20
91-150	32
151-280	50
281-500	80
501-1200	200
1201-3200	315
3201-10000	500

Other statistical techniques such as 10% or the square root of the overall population, particularly for larger sample sizes greater than 500, may also be used.

Table 16 below establishes the degree of statistical confidence in the sampling. For example, if no non-conformances are identified after reviewing 30 records, then one can be 90% confident that less than 7.0% of all results are Non-Conformant. In reality, the true state of conformance could be higher. This model will only apply when the sample taken is truly random. The size of the total population does not affect the calculation, provided that the sample population (n) is less than or equal to 10% of the total population (N).

Table 16: Confidence in the Sample Size

Sample size (n)	Confidence that the population is no more defective than the percentage below for each sample size (where n ≤ 0.1 N, the total population)	
	90%	95%
100	2.3%	3.0%
50	4.5%	6.0%
30	7.0%	10.0%
20	11.0%	14.0%
15	14.0%	18.0%
10	21.0%	26.0%
5	44.0%	53.0%
2	72.0%	78.0%

In all cases at least 25% of the sample should be selected at random.

5.13   Lack of Objective Evidence

A lack of Objective Evidence does not necessarily mean a Non-Conformance.

For example, a Member may have developed a procedure but the need to use it has not yet arisen. Therefore records or evidence that would be generated by that procedure do not yet exist. This does not automatically constitute a Non-Conformance, however the Member should clearly outline their rationale for why records or evidence do not yet exist.

An Auditor can of course establish whether the procedure as written meets the requirements of a Criterion. However if the Auditor is unable to yet determine its implementation effectiveness, then typically an Auditor will note this kind of situation in the Audit Report without necessarily raising a Non-Conformance, and flag the procedure for review during a future Audit.

However, where Objective Evidence is known to exist, or should exist, but cannot be located because of poor record keeping practices or other management problem, then a Non-Conformance can be raised.

5.14   Small businesses

Accessibility is a key principle for assurance, and ASI Certification aims to be accessible and relevant for businesses of every size, large, medium and small.

In small businesses or production Facilities, management systems may be much less formal but still effective. It is often easier to communicate policies and programs to a small workforce, thereby reducing the need for extensive documentation. There is also often close proximity of senior management with the day-to-day running of the business. This can create a high degree of awareness of the issues and risks which need to be managed by both management and relevant employees.

While achieving ASI Certification would mean the same level of commitment to conformance for any size of business, the types of relevant Objective Evidence may differ at smaller Facilities and

Businesses. Auditors should look for adequate proof of Conformance for the size of the organisation. As with all assessments, Auditors should seek evidence of both management systems and performance. This should be considered in the context of the scale of the organisation.

Documentation that is fit for purpose is usually the foundation of a functional management system. However the documentation that can demonstrate Conformance can be fairly simple for small businesses. Interviews also give good insight into how systems are performing in practice. When auditing small businesses, Auditors may rely more on interviews, since they can realistically sample a much larger proportion of the workforce than in a larger business.

6. Rating Conformance and Developing Corrective Actions

6.1 Conformance Ratings

Rating Conformance with ASI Standards is a central part of the Certification process. Self Assessments and Audits must use the Conformance Ratings defined in Table 17 below.

Table 17: Conformance Ratings

Conformance Rating	Finding
Conformance	The Entity's policies, systems, procedures and processes, within the defined Certification Scope, perform in a manner that is conformant with the Criterion.
Minor Non-Conformance	The Entity's policies, systems, procedures and processes, within the defined Certification Scope, perform in a manner that is not wholly conformant with the Criterion, due to an isolated lapse of either performance, discipline or control, which does not lead to a Major Non-Conformance. It may also be a situation where the Member does not comply with applicable law but the situation does not present a Significant Risk[5] to workers, the environment or the community.
Major Non-Conformance	The Entity's policies, systems, procedures and processes, within the defined Certification Scope, perform in a manner that is not conformant with the Criterion due to: - The total absence of implementation of the Criterion; - A systemic failure or total lack of required controls; or - A group of related, repetitive or persistent Minor Non-Conformances indicating inadequate implementation. It may also be a situation where the Entity does not comply with Applicable Law and the situation presents a Significant Risk[5] to workers, the environment or the community.
Not Applicable	The Criterion cannot be implemented by an Entity due to the nature of its business within the defined Certification Scope. See section 6.2 below.

A group of related Minor Non-Conformances may justify elevation to a Major Non-Conformance rating if there is evidence that the Minor Non-Conformances are:

- Related – in terms of the Criterion, activity being controlled or nature of the non-conformance across multiple facilities, or
- Repetitive – with the same issue evident throughout the business, symptomatic of a systemic failure or absence of controls, or
- Persistent – due to ineffective corrective action to address root cause.

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[5] A Significant Risk is usually defined by an Entity's or an Auditors' internal risk processes. However, it should consider situations where there is a high chance of

- injury or illness to one or more people resulting in permanent partial impairment or disability or death
- long term irreversible impacts to the environment, sensitive species, habitat, ecosystems or areas of cultural importance)
- affecting large numbers of the local community (one stakeholder group) or multiple stakeholder groups and impacting on the Entity's ability to retain its 'social licence to operate'.

For example, numerous instances of missing required records, such as employee time sheets, across multiple facilities, indicate a related and repetitive issue. The key to differentiating between a Minor and Major Non-Conformance rating is to assess how isolated the instances are, or whether they are related in such a manner that indicates common root causes through weaknesses in management systems.

6.2 Not Applicable Ratings

Some Criteria in an ASI Standard may be Not Applicable to a particular Entity. Credible and verifiable reasons must be provided for all Criteria rated as Not Applicable by Entities, and these will be validated by Auditors.

Reasons for non-applicability are:

- Where it would be illogical or impossible to apply a Criteria: for example, Criterion 9.10 on Security Practice in the ASI Performance Standard, where security providers are not used by the Entity
- Where it is explicitly defined as not applicable: for example, Criterion 4.3 on Aluminium Process Scrap in the ASI Performance Standard is defined to not apply to Mining and Alumina Refining.

Low risk does not mean Not Applicable. The Not Applicable rating is only to be used when a Criterion is genuinely not applicable to the Entity.

6.3 Critical Breaches

A Critical Breach by an ASI Entity may be flagged from a situation identified by the Auditor during or after an Audit, by a third party through the ASI Complaints Mechanism, or by the ASI Secretariat from information in the public domain. Potential Critical Breaches related to both ASI Standards are set out in the table below.

Identification of a potential Critical Breach during an Audit process requires Auditors to immediately notify the Member and the ASI Secretariat through the ASI Assurance Platform and/or via email. The Audit process should be suspended, pending an investigation process that will be initiated in accordance with the procedures set out in the ASI Complaints Mechanism.

Table 18 – Potential Critical Breach situations

Performance Standard	Chain of Custody Standard
Action or inaction bringing ASI into disrepute that resulted in: • Judgments by a court of law, or other legal or administrative regulatory body, determining wilful and deliberate harm on issues relating to the ASI Performance Standard • Knowingly providing false, incomplete or misleading information or claims to the ASI Secretariat, the Auditor or an external stakeholder • Repeated Major Non-Conformances not satisfactorily addressed by the Entity • Serious human rights abuses, including of workers, communities and/or Indigenous peoples • Serious environmental impacts caused by negligence or total lack of control to prevent or mitigate the severity of the impacts • Fraudulent representation of Free Prior Informed Consent (FPIC) • Major accident event caused by negligence or total lack of control to prevent or mitigate the severity of the impacts • Evidence of serious fraud, bribery or corruption, including links to criminal activity	Action or inaction bringing ASI into disrepute that resulted in: • Judgments by a court of law, or other legal or administrative regulatory body, determining wilful and deliberate harm on issues relating to the ASI Chain of Custody Standard • Knowingly providing false, incomplete or misleading information or claims to the ASI Secretariat, the Auditor or an external stakeholder • Repeated Major Non-Conformances not satisfactorily addressed by the Entity • Deliberate and fraudulent accounting of non-ASI inputs as CoC Material/ASI Aluminium under the Mass Balance system • Deliberate abuse of the Market Credits system, including double counting and/or non-permitted claims

6.4 Determining Overall Conformance and Obligations Resulting from Non-Conformances

Table 19 below sets out how overall Conformance is determined and the obligations for follow-up action when Non-Conformances are identified during an Audit.

Table 19: Overall Conformance and Obligations resulting from Non-Conformances

Conformance Rating	Certification Outcomes and Member Obligations	Follow-up Action for Auditors
Conformance	Entities with zero Non-Conformances are eligible for a 3 year Certification Period.	-
Minor Non-Conformance	Entities with only Minor Non-Conformances are eligible for a 3 year Certification Period, provided they prepare adequate Corrective Plan/s. Corrective actions for Minor Non-conformances should where possible, target a completion timeline of 18 months to two years from the date of the audit. Progress against these plans will be subject to verification by the Auditor at the time of the next scheduled Audit (i.e. Surveillance or Re-Certification Audit).	Auditors must verify timely implementation, closure and effectiveness of corrective actions at subsequent audits. Outcomes must be reported in the ASI Audit Report.
Major Non-Conformance	If any Major Non-Conformances are found in any Audit, the Entity is eligible for a 1 year Provisional Certification, provided all Major Non-Conformances have been adequately addressed in a Corrective Action Plan approved by the Lead Auditor. Corrective actions for Minor Non-conformances should where possible, target a completion timeline of 6 months to one year from the date of the audit. The Corrective Action Plan must be submitted to the Auditor for approval within 1 month of the Audit. If Major Non-Conformances are found during a Surveillance Audit, the Entity's Certification will be reduced to a 1 year Provisional Certification. All Provisional Certifications are expected to transition to a full 3 year Certification as soon as practicable and only two consecutive Interim Certification Periods are permitted. If Major Non-Conformances are found in the third consecutive Audit (excluding Surveillance Audits), then Certification will be suspended until the Entity can address the Non-Conformances through Corrective Actions. For example, a Major Non-Conformance in year 1 results in a one year certification period, in year two a major non-conformance results in the last permitted 'consecutive' one year certification period. If a Major Non-Conformance is identified in year 3, then certification is suspended.	In addition to instruction relating to Minor Non-conformances, the Lead Auditor must approve the Corrective Action Plan and record the approval in the ASI Audit Report.
Critical Breach	Critical Breach situations will be reviewed and/or investigated following procedures laid out in the ASI Complaints Mechanism and disciplinary proceedings for the ASI Member may commence.	Auditors shall immediately notify the ASI Secretariat of any Critical Breach situations.

6.5   Documenting Non-Conformances

All Non-Conformance findings must include clear and concise details about the non-conforming practice. Ambiguous, untidy or poorly worded Non-Conformance information in ASI Audit Reports is not acceptable.

The documentation of Non-Conformances in Audit Reports must include:
- A reference to the Criterion and Standard being audited and its requirement
- The nature of the Non-Conformance stated clearly and exactly, and identifying the likely underlying cause of the deficient practice (see below)
- A brief description of the relevant and verified Objective Evidence for the Non-Conformance rating.

Non-Conformance findings should be written to identify the likely underlying cause of the deficiency, as this helps the Entity identify how the problem could be prevented from recurring. A deficiency may have multiple causes, which may be one or more of the following:
- Missed or unknown legal requirements
- Non-compliance with Applicable Law
- Departure from procedure or defined process
- Incomplete or missing documentation
- Ineffective implementation of a control, process or procedure
- Ineffective risk identification and risk assessment
- Inadequate training
- Incorrectly specified equipment and/or controls
- Ineffective organisational structure
- Lack of resources, time or capacity
- Other cause or unknown cause (to be noted).

> ### Number of Non-Conformances
>
> *Is it possible to issue more than one Non-Conformance for the same Criterion?*
>
> One or more Non-Conformances may be issued for the same criteria to facilitate different aspects of the finding including different causes, and different ratings. For example, there may be multiple sources of objective evidence to suggest that the Entity's system to identify and comply with Applicable Law is ineffective. Evidence may vary from a minor technical mishap such as failing to issue a report on time to more serious breaches such that lead to or have the potential to cause significant harm to people and/or the environment. In this scenario, two Non-Conformances may be raised with the late reporting issue rated as a Minor Non-Conformance but the serious breach rated as a Major non-Conformance.
>
> Another example may relate to a criterion which requires the development and implementation of a documented process. A Minor Non-conformance may be issued if the documentation, whilst largely complete has some minor gaps. Whereas a Major Non-Conformance may be issued if the procedure has not been communicated and properly implemented throughout the Entity's business, particularly of the process has been developed to control a high risk activity.
>
> The ASI Assurance Platform has the ability to enter multiple Non-Conformances for each criterion.

6.6   Corrective Action Plans

All Non-Conformances, whether Major or Minor, require the Entity to prepare and implement appropriate Corrective Action Plans. This may include both corrective and preventive actions:

- Corrective: an action implemented to
  - *remediate* or *make good* the effects or harm resulting from the Non-Conformance or incident, and
  - *eliminate* the cause of a Non-Conformance or an incident, in order to prevent a recurrence
- Preventive: an action implemented to *prevent* the occurrence of a Non-Conformance or an incident.

See Appendix 2 for a sample template for a Corrective Action Plan.

Appropriately qualified and/or experienced personnel should be involved in the development of Corrective Action Plans, commensurate with the nature and severity of the Non-Conformance. External assistance on how to address the underlying causes and identify solutions can also be sought at this stage. Note however that the same Auditor cannot assist in the development of an Entity's systems that are required by an ASI Standard, and later audit them, as this would be a conflict of interest.

Once the actions are implemented, Entities must verify the effectiveness of the action to ensure that they have:

- Not introduced new actual and/or potential Risks, and
- Addressed the root cause to avoid recurrence of a Non-Conformance.

Corrective actions should be specific, measurable, achievable, realistic, timely and effective. Plans should demonstrate the means, resources and timeframe for the implementation of each action.

- *Specific*: is the Corrective Action clear and unambiguous? Does it address the underlying cause of the Non-Conformance?
- *Measurable*: Can the implementation of the action be monitored and measured?
- *Achievable*: Does the action have clearly assigned responsibilities and the means for implementing the action?
- *Realistic*: Is the Corrective Action realistic and fit for purpose, given the nature of the Non-Conformance? Has the means and resources been assigned to implement the Corrective Action?
- *Timely*: Is the time frame for completing the Corrective Action within the Certification Period? Preference should be given to completion of all Corrective Actions within the Certification Period. However in some cases, actions involving capital works or approvals may require more time. In these cases, progress milestones during the Certification Period should be set and interim short term corrective measures established to mitigate the effects of the Non-Conformance. As a guide, timeline for the completion of corrective actions relating to:
  - o Minor Non-conformances should target completion within 18 months – 2 years
  - o Major Non-conformances should target completion within 6 months – 1 year.
- *Effective*: Will the action be effective in addressing the Non-Conformance and prevent its recurrence?

ASI Auditors will evaluate Entity's corrective actions established to address identified Non-Conformances along these six categories.

For all Major Non-Conformances, ASI Auditors are also required to approve the related corrective actions Plans (as described in section 8.15) and verify closure of these actions (see section 8.19).

7. Self Assessments by Members

7.1 Purpose of the Self Assessment

Members are required to conduct a Self Assessment against the applicable ASI Standard for the relevant Certification Scope, prior to the Certification Audit.

The Self Assessment is an evaluation review carried out by Members for their defined Certification Scope, to better understand their current conformance with the requirements of an ASI Standard. A Self Assessment is conducted for the ASI Performance Standard and the ASI Chain of Custody Standard, as part of the Certification process. Information included in the Self Assessment that affects a Member's Certification status will be verified by the Auditor.

During the Self Assessment, Members:
- Document their defined Certification Scope
- Submit information on any:
  - other equivalent audit programs
  - anticipated changes to the Certification Scope such as expansions, acquisitions, divestments, etc.
- Gauge preparedness for a Certification Audit, and improve practices in advance where required
- Identify documentation and key individuals and their contact information, including those outside the organization, that may be required by an Auditor during an Audit
- Obtain consent to share their contact information to Auditors from all individuals that may be required for interview during the Audit
- Establish preliminary Maturity Ratings (see section 5 on Risk).

7.2 ASI Co-ordinator

It is recommended that Members designate an internal ASI Co-ordinator for the purposes of Self Assessment and Audits. The Co-ordinator's roles could include overseeing the following:
- Complete and/or delegate and co-ordinate the Self Assessment
- Be a central point of contact and support for corporate documentation and any internally initiative corrective actions undertaken in advance of the audits
- Co-ordinate the engagement of the Auditor, once the Self Assessment is complete
- Assist the Auditor with additional information, relevant Facility contacts, and scheduling and logistics, as required
- Liaise with the ASI Secretariat on progress, as required.

7.3 Self Assessments through the ASI Assurance Platform

The ASI Assurance Platform *elementAl*, (see section 3.3) guides Members and Auditors through the process, using prompts and questions to establish and document Conformance ratings and related objective evidence.

The Assurance Platform *elementAl*, can also be used to track corrective actions and plan for the Certification Audits.

7.4 Correcting Non-Conformances

The Self Assessment process should be used by Members to examine and review their current level of conformance against each of the applicable Criteria in the ASI Standard being assessed. By doing this, any Non-Conformances can be identified in advance of the Audit.

Members should then use the time available to them in the Self Assessment stage to address these Non-Conformances, or make them the focus of an internal Corrective Action Plan, before finalising their Self Assessment and commissioning the independent Audit.

For more information about Corrective Action Plans, see section 6.6.

7.5 Seeking external assistance and ASI Registered Specialists

Members who lack the capacity, resources or confidence to complete their Self Assessment, or to develop systems and processes required by an ASI Standard, can consider seeking the assistance of a competent consultant or advisor, or an ASI Registered Specialist.

An ASI registered Specialist is a person registered by ASI as being a Technical Expert that can support the implementation or assessment of ASI Standards. Registered Specialists may be used by Members and Auditors, as defined in the ASI Registered Specialist Procedure.

Note that:
- the use of a Registered Specialist is not an ASI requirement
- a Registered Specialist that has offered consultancy to a Member as it relates to ASI cannot be part of that Member's Audit team for 2 years since the date of the last consultancy as this represents a conflict of interest
- a Registered Specialist cannot be employed by a Member or an ASI Accredited Auditor (whether permanent full time, part time or casual employment or an employment contractor).

7.6 Preparing for an Audit – Records and Documentary Evidence

Historical records and documentary evidence, where it exists, must be maintained and made available by Members for review as requested by an Auditor. Retention of records must be in accordance with Applicable Law.

For the purposes of the Audit, see the relevant period of records set out in section 5.6.

Note that no originals of documents or records can be taken by the Auditor although copies are permitted subject to confidentiality agreements between the Auditor and the Member.

7.7 Preparing for an Audit – Informing and Training Personnel and Stakeholders

Not all Members and their personnel will be familiar with the process for an independent Audit. The following information is provided to assist Members, and their employees and contractors, to prepare for an Audit. It can be used as part of an internal briefing or training session.

- An Auditor's objective is to review the Member's systems and performance in order to establish whether they conform to an ASI Standard.
- Personnel should be reassured that Auditors are not there to audit an individual's behaviour or performance.
- Auditors will gather Objective Evidence by reviewing records, observing activities and practices and by asking questions of and conversing with personnel.
- Individual and group interviews may be conducted. Interviews may be conducted with employees, contractors and external stakeholders, including affected communities and Indigenous Peoples.
- Where external stakeholders may be contacted for an individual or group interview, Members should provide advance notice of the approximate timing, and information as to the purpose and scope of the ASI Audit. Where stakeholders are unavailable in the on-site Audit period, Auditors may still wish to contact them separately at a later time, for example by phone.
- Translators and support personnel may be present during the interviews. Translators should ideally be independent of the organisation being audited, and ideally approved for use by the independent lead auditor but this may not always be possible or appropriate.
- Quiet meeting rooms should be made available for interviews, however some interviews may be conducted in an open place.
- Interviews shall be conducted in a confidential manner without the presence of management unless deemed acceptable by the Lead Auditor.
- Interviewees will be selected by the Auditor based on who is best suited to answer questions about the Criterion being audited. Some interviewees will be identified before the Audit commences as part of the Audit Plan, and others may be identified informally during the Auditor's site visit.
- Auditors can only request an individual to participate in an interview: that individual may not wish to participate. However a manager cannot prevent a willing interviewee from participating in the Audit.
- Employees and contractors must answer truthfully and accurately, including in a situation where the interviewee is unsure of the response.
- Interviewees need to be aware that Auditors will record notes from the discussion. If the interview is to be recorded on audio or video media, then the interviewee must be informed and agree to this type of recording.
- Interviewees may be asked to describe and/or demonstrate how they carry out their day to day duties to enable the Auditor to observe practices. This is a normal method used by Auditors to verify testimonial or documented statements.
- No Employee or Contractor shall be reprimanded for their responses. If a response is factually incorrect, management shall communicate to all concerned (Employees, Contractors and Auditor) of this mistake, state the correct answer and provide evidence to verify the correct information.

- Although interviews are important, and participation should be encouraged, they are not compulsory. However an Auditor may note a situation where an Employee, Contractor or stakeholder has refused to be interviewed.
- Findings based on Objective Evidence gathered during interviews will ensure the interviewee's identity remains anonymous unless permission has been given by the interviewee. Note that in certain locations, it may be a legal requirement that Employees be informed of this process in advance. Where it is not a legal requirement, it is nevertheless recommended that Employees be informed about the Audit and the possibility of their being interviewed.

Members should also ensure that Employees and Contractors are familiar with the documentation and records likely to be used during the audit process. Documents may include the Member's policies and procedures, and the records generated from the implementation of these procedures.

Appendix 1 contains guidelines on how to conduct effective Audits including interview techniques. Members and relevant personnel may also find reading this information helpful to further understand the Audit process.

7.8   Requesting an Audit and selecting an ASI Accredited Auditor

When the Member deems itself ready for its Audit, and within the applicable deadline, an ASI Accredited Auditor should be appointed. A list of Accredited Auditor firms is maintained on the ASI website and also accessible in *elementAl*.

Members are encouraged to contact several Accredited Auditor firms to familiarise themselves with the availability and commercial terms of each. Members may wish to consider asking Accredited Auditor firms and/or Auditors to enter into confidentiality agreements, to protect confidential or commercially sensitive information they may have access to during the course of their desktop and on-site Audits. Such agreements must still ensure that Accredited Auditors can share relevant information with the ASI Secretariat in their Audit Reports.

Once an agreement has been developed, Auditors will be given access via the Assurance Platform, *elementAl*, to a Member's Self Assessment and any other documentation. If the Audit is a Surveillance or Re-Certification Audit, then the information provided to the Auditor must note any changes to the Certification Scope since the last Audit.

Where several Standards are to be Audited at the Member's operations in a similar timeframe, the Member may wish to organise ASI Audits to occur concurrently, as this may reduce duplication and costs. In these situations, Auditors would generate separate reports that meet the requirements for each Standard.

8. Independent Third Party Audits

8.1   Audit Process Overview

For ASI Certification, independent third party Audits are conducted by ASI Accredited Auditors. The purpose is to verify that a Member's policies, systems, procedures and processes conform to the requirements specified in the applicable ASI Standard. The process undertaken by Auditors is to collect Objective Evidence from a representative selection of the Member's Certification Scope. An Audit and subsequent Audit Report is required before ASI Certification can be issued.

There are three main stages for an Audit:

- **Pre-Audit Planning**, which includes:
    - Initial communication with the Member
    - Commercial arrangements and confidentiality
    - Gather and review information
    - Define the Audit Scope
    - Identify the Audit Team
    - Estimate Audit time requirements
    - Document the Audit Plan
    - Finalise details with the Member
- **Audit Conduct**, which includes:
    - Opening meeting
    - Obtaining Objective Evidence, including site visits and interviews with management, workers, and stakeholders, which may include Indigenous Peoples, as well as Outsourcing Contractors (where applicable) under the ASI Chain of Custody Standard)
    - Evaluating the results
    - Documenting Non-Conformances
    - Making Suggested Business Improvements for those part of the system and controls that do conform, if needed
    - Determining the timing of follow-up Audits
    - Closing or exit meeting
- **Post-Audit Follow-up and Reporting**, which includes:
    - Overall evaluation of Conformance
    - Monitoring and evaluation data
    - ASI Audit Report
    - Member Audit Report (if additional to above)

Further details on each of these stages are provided in the following sections.

8.2   Initial Communication with the Member

Prior to an Audit taking place, a range of details need to be discussed and confirmed with the Member. This includes availability of documentation, pre-audit visits (if possible and agreed), and the proposed timetable while on site. The formality of such communication depends on the nature and

objects of the Audit, local and cultural customs, and familiarity of the Auditor with the Member's business.

Factors to consider in initial communications include:

- Agreement on Audit Scope and objectives
- Date and timing of the Audit
- Size and composition of the Audit Team
- Logistics involved, including any safety concerns or provisions
- Availability of the Member's key personnel
- Access to documentation
- Value of a pre-audit visit, if relevant and feasible.

Members and their Auditors must ensure all effort is applied to resolve any concerns or factors noted above, that may affect the ability to meet the Audit scope and objectives. Where resolution cannot be reached, the ASI Secretariat may be contacted for assistance. The occurrence and outcomes of such situations must be documented in the Audit Report (see section 8.16).

8.3   Commercial Arrangements and Confidentiality

As an Audit is a commercial arrangement provided by a specialist organisation, time should be allowed to agree and finalise the service agreement.

Auditors may have access to confidential or commercially sensitive information during the course of their desktop and on-site Audits. Confidentiality agreements are common practice for third party verification and auditing. It is at the Member's discretion whether to require that their chosen Auditor enter into confidentiality agreements to prevent disclosure of such information to third parties. Where applicable, also give consideration for arrangements to include Outsourcing Contractors in the Member's Certification Scope under the Chain of Custody Standard. Note that ASI's reporting requirements must still be met.

8.4   Gather and Review Information

Auditors should endeavour to gain as much advance understanding of a Member's business as possible, as part of the Audit planning process. Relevant documentation includes:

- The completed Member Self Assessment
- Organisational charts outlining structure, responsibilities and authorities
- Stakeholder lists, including:
    o Name
    o Contact information (address, email, phone)
    o Relationship with Member
- Description of the products and processes, including:
    o Infrastructure, facilities and equipment
    o Work hours and shifts
    o Reports of previous Audits
    o Understanding of Applicable Law
- Relevant documentation, such as policies, procedures, specifications etc.

- Internet searches to enhance understanding of the organisation based on information in the public domain.

General information relating to the activities or functions to be Audited should be obtained and reviewed prior to the Audit. While it is not uncommon that some documentation is not available until on site, it is critical that key pieces of documentation are provided in advance wherever possible.

Some Members may request and benefit from a pre-Audit visit. The purpose of such a visit is to obtain sufficient information on the business, including its size, complexity, processes, workforce and geographic context. This can assist effective planning of the Audit itself. However a pre-audit visit is not mandatory and should only take place if agreed to by the Member or Entity.

8.5   Define the Audit Scope

8.5.1   Audit Scope Factors for Consideration

The Audit Scope defines the extent and boundaries of the Audit, and is defined by the Auditors in consultation with the Entity seeking Certification. For first Certification Audits, it should be established so as to:

- Take account of the Self Assessment and Member's preliminary Maturity Ratings for the defined Certification Scope
- Take account of the ASI Standard and applicable Criteria
- Take account of other available information such as public reports, legislative frameworks, the results of previous Audits, and any relevant non-ASI certifications
- Take into account the Audit Scope and outcomes of previous ASI Audits
- Take into account the status of corrective actions to address previous Non-conformances
- Recognised external certification schemes and parallel initiatives noted in the Member's Self Assessment for verification during the Certification Audit (see section 3.7)
- Where Indigenous Peoples are present, take account of their expectations for the Audit process
- Fit within the recommended time limits (see section 5.4), or as otherwise negotiated with the Member
- Obtain the necessary Objective Evidence to evaluate conformance with the relevant ASI Standard
- Be documented in an Audit Plan detailing which Criteria are to be assessed at which Facilities.

Figure 11 – Factors to consider when defining the Audit Scope
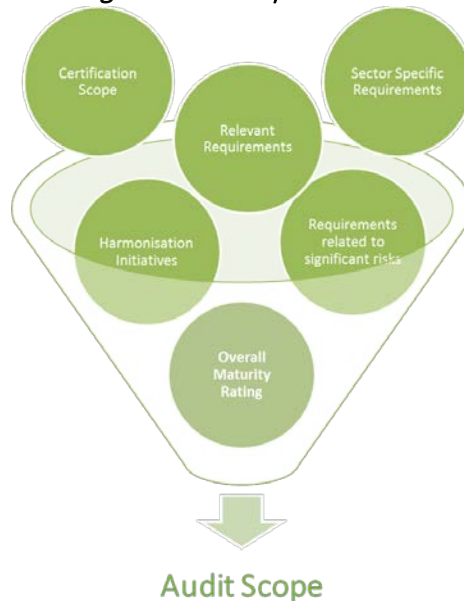
Audit Scope

The Audit Scope may be different for Certification Audits, Surveillance Audits and Re-Certification Audits. As illustrated in Figure 11, when defining the Audit Scope for subsequent assessments, Auditors should consider:

- Overall Maturity Rating determined in the previous Audit
- Facilities and Criteria which may have had less attention in the previous Audit
- Nature of any Non-Conformances in the previous Audit
- Corrective Action Plans for previous Non-Conformances
- Changes to the Member's Certification Scope
- Changes to the Member's business, including organisational structure and resources.

Further and as noted in section 3.7, the ASI certification program recognises other external certification schemes and parallel initiatives. Where equivalency as indicated in Table 3 has been verified then the equivalent ASI requirements can be taken as conformant without additional review. However, the Audit Scope must include allowance for the verification of these recognised schemes and initiatives as follows:

- Auditors must verify that the scope of the recognised initiative applies to the Member's ASI Certification Scope. If the recognised initiative applies to less than the ASI Certification Scope, then those parts of the member's business not covered by the recognised initiative can be include in the Audit Scope (see section 8.5)
- Auditors must review the most recent certification/re-certification and surveillance audit reports relating to the recognised initiative to ensure that any identified non-conformances are being actioned by the Member. Ineffective implementation of corrective actions or closure of corrective actions relating to these non-conformances must be included in the ASI Audit Report (see section 8.16 and 8.17).

Auditors may also take into account other certification schemes and initiatives subject to the above verification and review.

8.5.2 Multi-Site Entity Selection Guidelines for the Audit Scope

A Multi-site Organisation (or Entity) as defined by its Certification Scope is where an Entity has an identified central head office (or functional office, or geographic headquarters, etc.) which controls or oversees the management of a network of sites or branches which carry out the Entity's activities.

A Multi-site Organisation need not be a unique legal entity, but all sites shall have a legal or contractual link with the central head office and be subject to a common management system. Examples of possible Multi-site Organisation are:

- Manufacturing companies with a network of manufacturing locations
- Members with multiple bauxite mining sites or a Member with multiple outlets (e.g. for sale of commercial and consumer goods)
- Service companies with multiple sites offering a similar service (e.g. transport service provider with multiple depots)
- Organisations operating with franchises

Note that sites may be permanent (e.g. factories, retail branches, etc.) or temporary (e.g. construction site, project site, testing facility, etc.).

Where the Certification Scope includes more than one site, the overriding principle to determine the number and choice of sites to include in the Audit Scope, is to ensure that the Certification Audit provides adequate confidence in the conformity of the Entity's management system to the relevant ASI Standard across all sites listed in the Certification Scope, whilst the Audit remains both practical and feasible in economic and operative terms.

Ideally, all sites in a Certification Scope should be visited and this should be the aim over a reasonable time period. However, where an Entity's activities within the Certification Scope are carried out in a similar manner at different sites, and that all are managed and controlled by the Entity's systems and procedures, a representative sample of sites can be selected.

ASI's multi-site selection guidelines align with the relevant requirements specified by the International Accreditation Forum (IAF) and relevant provisions in ISO/IEC 17011:2006. Conformity assessment – General Requirements for Accreditation bodies accrediting conformity assessment bodies, ISO/IEC 17021:2006. Conformity assessment – Requirements for bodies providing audit and certification of management systems and ISO/IEC 17065:2012 Conformity assessment -- Requirements for bodies certifying products, processes and services.

The following table can be used as a guide for selecting the number of sites in an Audit Scope for eligible Multi-site Organisations. Multi-site eligibility is subject to the following conditions:

1. The majority of activities conducted, equipment utilised and products manufactured and/or sold at each of the sites must be substantially the same.
2. The activities, equipment and products are managed under common management systems and under the direction of the central head office.

Table 20 Multi-site sampling for ASI Certification Audits

Number of Eligible sites including central head office	Initial Certification Audit in addition to head office	Surveillance Audit	Recertification Audit
1	1	1	1
2	2	1	1-2
3	3	1	2
4-10	2-4	1-2	2-4
10-100	5-10	2-3	5-10
100-1000	10-32	3-8	10-32
>1000	>32	>8	>32

Table 20 does not apply to a Member with multi-sites that fundamentally differ in activities and/or management systems, even though they are within the same Certification Scope.

Factors to consider when selecting which sites to include:

- Results of previous audits
- Records of complaints and other relevant aspects of corrective and preventive action
- Significant variations in the size of the sites
- Variations in shift patterns and work procedures
- Complexity of the management system and processes conducted at the sites
- Modifications since the last certification audit
- Maturity of the management system and knowledge of the organisation
- Social including Human Rights, environmental and health and safety risks and associated impacts of the Member's activities, equipment and products
- Differences in culture, language and regulatory requirements
- Geographical dispersion. In these cases the risks and impacts of the Member's activities may help determine which locations to including in the audit scope. For instance mining exploration involving remote surveillance (e.g. aerial surveys) or minimal disturbance may not warrant a site visit although a desktop review may still be carried out. However if these exploration activities include pilot scale operations or construction of large scale facilities, a site visit may be necessary.

This selection should be done before the audit commences. However, it may be necessary to change the number and which sites to be visited once the audit at the central office has been completed. In any case, the Member must be informed of any changes to the sites to be included in the sample to allow adequate time for preparation for the audit.

Note that when Non-Conformances have been identified at any individual site included in the Audit Scope, all the Non-Conformances should note whether the other sites may be similarly affected and also require corrective action.

8.6   The Audit Team

An Audit may be conducted by one qualified person or by a team.

In all cases, a Lead Auditor must be appointed. The Lead Auditor is responsible for ensuring the efficient and effective conduct of the Audit. Responsibilities and activities include:

- Consulting with the Member when determining the Audit Scope and Plan
- Obtaining relevant background information necessary to meet the objectives of the Audit
- Forming the Audit Team and directing its activities
- Preparing the Audit Plan and communicating it to the Member and Audit Team members
- Co-ordinating the preparation of working documents
- Resolving any problems that arise during the Audit
- Recognising when Audit objectives are unattainable and reporting the reasons to the Member and to ASI
- Representing the Audit Team in all discussions
- Notifying Audit findings to the Member
- Approving Corrective Action Plans for Major Non-Conformances identified in an Audit
- Reporting the Audit results to the Member and ASI

An Audit Team must include people with the skills and competency necessary to cover the objectives of the Audit. The size and composition of an Audit Team will be influenced by a number of factors, including:

- Audit Scope
- Availability of qualified auditors within timeframe for Member's audit
- Geographical location of the Member's Certification Scope
- Requirement for specialist knowledge, which could include technical experts or Registered Specialists[6] working under the direction of a Lead Auditor
- Language considerations
- Cultural considerations (such as country or regional familiarity, religion, gender, Indigenous Peoples etc.).

Ideally, the Audit Team should have the necessary language skills to avoid the need for translators. However, if translators are required, these should, wherever possible, be independent of the Member being Audited, though in some cases it may not be feasible due to logistical difficulties. The names and affiliations of any translators used must be included in Audit Reports.

The Audit Team will:

- Follow the directions of, and support, the Lead Auditor
- Plan and carry out the assigned tasks objectively, effectively and efficiently
- Collect and assess Objective Evidence
- Prepare working documents under the direction of the Lead Auditor

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[6] A *Registered Specialist* is a *technical expert* that has been accredited by ASI that supports the Aluminium Supply Chain Sector(s) and/or requirements in the ASI Standards. To become a Registered Specialist, please follow the instructions in the ASI Registered Specialist Procedure available from the ASI Website.

- Document audit findings
- Assist with the preparation of Audit Reports.

> It is not expected or necessary that each Auditor in the Audit Team has the same competencies, experience and skill set. However, collectively, the overall competence, experience and skill set of the Audit Team needs to be sufficient to achieve the audit objectives.

All Auditors must:
- Be suitably qualified
- Be ASI Accredited and trained
- Have knowledge of practices, processes and risks typical of the Member's business
- Perform in accordance with the following principles as identified by ISO 19011
    1. *Integrity*: the foundation of professionalism.
    2. *Fair presentation*: the obligation to report truthfully and accurately.
    3. *Due professional care*: the application of diligence and judgement in Audits.
    4. *Confidentiality*: security of information
    5. *Independence*: the basis for the impartiality of the Audit and objectivity of its conclusions.
    6. *Evidence based approach*: the rational method for reaching reliable and reproducible conclusions through a systematic process.

The fundamental objective of applying these principles is that different Auditors working independently from one another should be able to reach similar conclusions in similar circumstances.

Note that any person (including personnel, external consultants, or advisers) involved in a Member's Self Assessment, or in the development of a Member's systems that are required by an ASI Standard, cannot be part of that Member's Audit Team, as this represents a conflict of interest.

8.7   Develop the Audit Plan

Audits require clear direction and focus, which means that planning is vital. An Audit Plan is used to outline what activities will be reviewed, by whom and when, in which functional areas and/or Facilities, and involving which Member personnel.

Typically the layout of such timetables is in a table format with the expected times for activities being scheduled. A template Audit Plan is contained in Appendix 3. Most Auditors would have their own template, which would include:

- Audit objectives
- Dates, places and time of the Audit
- Name(s) of Auditor(s)
- Audit Scope: the Criteria to be assessed and facilities to be visited
- Expected time and duration for each major activity
- Meetings scheduled to be held with Member business management, other employees and/or contractors, and the nominated ASI Co-ordinator

- Personnel or functional roles to be interviewed. The number of individuals required for interviewing will vary based on the total number of employees, degree of unionisation and industrial relations agreements, risks, and nature and scale of the business included within the Certification Scope.
- Likely documentation to be reviewed.
- Times for miscellaneous activities such as inductions and breaks
- Time to revisit and review information

The Audit Plan should be planned logically, to create minimum disruption to the normal business processes and yet build a sequence of Objective Evidence necessary to verification the degree of Conformance with the ASI Standard being audited. It should also be designed to be flexible enough to both permit changes in emphasis gathered during the Audit and to effectively utilise available Member's and Auditor's resources.

8.8   Finalise the Audit Plan with the Member

The Audit Plan should be presented to the Member at least two weeks prior to the commencement date of the Audit. This will provide the Member with an opportunity to prepare, and where necessary, suggest an alternative timing or order of proceedings. However the Audit Scope and objectives set by the Auditor cannot be changed by the Member.

Once the Audit Plan is complete, the Lead Auditor shall contact the Member's ASI Co-ordinator and confirm arrangements and details for the Audit. In addition to information contained in the Audit Plan, these details would include:
- Invitation to senior management to be available during the site visit, and at the opening and exit meetings
- Request for guides to be available to accompany the Auditor(s), as appropriate
- Request for office facilities, including space and meeting rooms, to be made available to conduct interviews and for the Auditors to review information
- Request to advise all relevant staff of Audit arrangements
- Requirements for any personal protective equipment for the Auditors visiting Facilities
- Time requirements for inductions and introductions
- Time for regular check-in meetings with senior management.

8.9   Opening Meeting

Upon arrival on-site for an Audit, the first activity is an opening meeting. The purpose is to:
- Introduce the Audit Team to the representatives of the Member
- Confirm briefly the purpose and scope of the Audit
- Review the timetable and agenda
- Provide a short summary of the methods and procedures to be used to conduct the Audit
- Arrange for guides to accompany the Audit Team, as required
- Explain the confidential nature of the Audit process
- Answer questions from the Member's personnel present at the meeting.

The names of those present should be recorded by the Auditor(s).

8.10   The Audit Process

The Audit process is focused on obtaining and evaluating Objective Evidence (see Section 5). This will involve inspections, verifications, and reviews of activities, review of documents and interviews with employees, contractors and stakeholders to determine whether the Member's practices conform to the requirements of the applicable ASI Standard.

The Audit Plan is used to guide this process. Auditors' record specific details of all Objective Evidence collected. Information obtained can include hard or softcopy documentation, forms, records, verified statements of fact or relevant observations. An experienced Auditor may not necessarily follow a step-by-step approach, but will have the ability to look at multiple aspects of relevant systems at once.

The process of gathering Objective Evidence involves interaction with people as well as technical skills. Strong communication, questioning, listening and observation skills become ineffectual if the wrong information is gathered. Auditors should remember that Members may not always be accustomed to formal audits, and some personnel may be apprehensive about the process.

8.11   Evaluation of the Results

The gathering of Objective Evidence serves as the basis for determining the level of Conformance with the relevant requirements of the ASI Standard/s. Upon completion of the Audit, the observations and findings made are evaluated.

The findings and observations of each team member are collected and integrated, to determine the level of Conformance with each Criterion tested by the Audit Plan. Typically this is done through periodic meetings of the Audit Team prior to the completion of the Audit and, finally, when the team gathers for a final Auditor's conference. Here, findings and observations can be organised to determine whether there are common findings that, when viewed as a group, may have greater significance than they do individually.

For example, a group of related, repetitive or persistent Minor Non-Conformances may indicate a wider systemic failure, or total lack of required controls, potentially justifying raising a Major Non-Conformance. In evaluating Audit findings, the Audit Team, under the direction of the Lead Auditor, work to develop a consensus to establish the Member's overall level of Conformance with the applicable ASI Standard/s.

8.12   Log of Non-Conformances

All Non-Conformances must be:
- Established in accordance with the requirements and guidance provided in section 6.5
- Presented to the Member at the exit meeting (see section 8.15)
- Recorded in the Audit Report (see sections 8.17 and 8.18)

The following are good practice principles for documenting Non-Conformances:
- Communicate the extent of the problem fully
- Use familiar terminology
- Do not draw unsubstantiated conclusions
- Do not focus on individuals or their mistakes
- Do not use criticism
- Give, where relevant and related, regulatory or external references
- Avoid contradictory messages
- Review the Non-Conformance(s) with the Member to ensure the facts are correct and fair.

8.13 Making Recommendations and Suggested Business Improvements

Based on their experience, Auditors may also offer recommendations to a Member about how to correct Non-Conformances, or offer Suggested Business Improvements about practices which conform to ASI Standards but could be conducted differently or more efficiently. However it is ultimately the responsibility of the Member to establish and implement Corrective Actions.

Recommendations and Suggested Business Improvements are provided by Auditors purely for informative purposes only and must be offered without prejudice. The Member is under no obligation to accept recommendations or Suggested Business Improvements, and their implementation by the Member is not mandatory. Subsequent Audits shall not judge performance based on the degree or lack of implementation of these Suggested Business Improvements.

8.14 Closing or Exit Meeting

A closing or exit meeting is conducted before the Auditors depart from site to verbally present preliminary findings and recommendations to the Member. The meeting should be used as a final opportunity to:
- Seek acknowledgement and understanding from the Member regarding the findings and any Non-Conformances
- Answer any questions
- Discuss misunderstandings and/or clarify points of difference
- Provide an overview of the follow-up steps
- Communicate that the Auditor shall issue a detailed Audit Report which documents the overall findings
- Communicate the recommended timing for subsequent Audits (Surveillance or Re-Certification)
- Confirm that the Audit Report will be provided to ASI for the purposes of Certification, and provide indicative timing for submission

The names of those present at the exit meeting should be recorded.

8.15 Approving a Corrective Action Plan for Major Non-Conformances

Members are required to develop Corrective Action Plans for all Non-Conformances identified during an Audit. In cases where Major Non-Conformances have been identified, and the Member is to be issued Provisional Certification, the Corrective Action Plans must be approved by the Lead Auditor.

When approving a Corrective Action Plan, the Lead Auditor must take into account and verify that the proposed actions:

- Address the root cause of the Non-Conformance
- Should prevent a recurrence of the finding
- Are realistic and 'fit for purpose'
- Wherever possible, can be completed within the 1 year Provisional Certification Period

In situations where actions required to treat the root cause of the Major Non-Conformance require more than one year, interim short term Corrective Actions must be established. These must mitigate the effects of the situation which lead to the non-conforming finding, until the long term and more permanent solution can be implemented. Mitigating actions may enable the Member to move into a situation of Minor Non-Conformance as a transitional step, before finalising the Corrective Action and fully closing the Non-Conformance in the longer term.

Where a conflict or dispute arises regarding the approval of a Corrective Action Plan, the ASI Secretariat may be asked by a Member or Auditor to enter into discussions about the nature and timing of Corrective Action.

8.16   Reporting

The primary activity at the end of each Audit is to report findings, so the Member can obtain or maintain Certification. An Audit Report thus summarises the Auditor's findings and conclusions as to the status and effectiveness of the Member's policies, systems, procedures and processes in meeting the applicable ASI Standard within the Member's Certification Scope.

As all information and process steps for Self Assessments and Audits are centrally managed through the cloud-based ASI Assurance Platform, ASI Audit Reports are to be generated through this platform. The Lead Auditor, together with the Audit Team, ensures that all relevant data is uploaded and that statements made are fair, complete and true. Information provided must be written in clear, concise and unambiguous language.

It is an expectation that all required information be entered into the Assurance Platform within a maximum of eight weeks from the date of the Audit. If this timeframe cannot be met by the Auditor, the ASI Secretariat should be notified as to the reasons why. The ASI Secretariat cannot administer a Member's Certification until the Audit Report information is complete, and any omissions, clarifications or other issues identified by ASI have been resolved.

Audit Reports to the ASI Secretariat must be in English and include sufficient information to:

- Meet the minimum mandatory content set out in section 8.17, including a clear and comprehensive description of the Certification Scope
- Enable ASI to confirm that the Audit process and findings are consistent with the instructions to the Auditors contained in this Assurance Manual
- Allow traceability in the event of a dispute, peer review or for planning for subsequent Audits.

Auditors may also agree with Members to prepare an additional Audit Report for them in a language other than English, and provided to the Member separately, for example in PDF form. A separate report can also be expanded to include any additional confidential, security-related or commercially sensitive information that may be relevant to internal reviews, business improvements or corrective actions to be reported to the Member. This may include:

- Name of personnel interviewed
- Detailed references about documents reviewed
- Specific nature of the activities observed
- Other information as agreed

8.17   ASI Audit Reports – Minimum Mandatory Content

The ASI Assurance Platform *elementAl*, will be used to collect and centralise all the relevant data for an Audit Report to be generated. Table 21 below sets out the minimum mandatory content for ASI Audit Reports, and which therefore must be uploaded into the Assurance Platform by Auditors.

Table 21: Minimum Mandatory Content for ASI Audit Reports

Report Section – Heading	Content
Statement of Conformance	The Statement of Conformance is completed and signed by the Lead Auditor on the online ASI Assurance Platform. It captures the overall determination of Conformance for the Member's defined Certification Scope, for the purposes of issuing Certification. It also confirms the conditions under which the Audit was conducted, including that there were no material conflicts of interest present.
Summary of Findings	The Summary of Findings for individual Criteria can be automatically compiled through the ASI Assurance Platform, *elementAl*.
Member and Standard	Includes: a. Name of ASI Member b. ASI Membership Class c. Name of Entity being audited (if different from Member, for example a subsidiary) d. Member's ASI Co-ordinator (Primary Contact for ASI) e. ASI Standard being audited.

Certification Scope	Includes:
	a. Designated approach to ASI Certification Scope
	    o Business level, or
	    o Facility level, or
	    o Product/Program level.
	b. A clear and comprehensive description of the Member's Certification Scope (see section 4.6)
	c. Number of employees and contractors at each Facility and in total
	d. Changes that have occurred since the previous Audit
	e. Any expected changes during the new Certification Period
	The above information should be made available to the Auditor via the Member's Self Assessment, and verified.

Audit Scope	Includes: a. Audit Type (Certification, Surveillance or Re-Certification) b. Facilities visited

Report Section – Heading	Content
	c. Business Activities / Products reviewed d. Criteria from the applicable ASI Standard that were assessed e. Names of Lead Auditor and any additional Audit Team members f. Names, affiliations and role of other Audit Team members (e.g. Registered Specialists, translators, observers, etc. g. Dates of Audit.

Audit Methodology	Includes:
	a. Overview of the Audit Plan
	b. Any limitations or parts of the Audit Plan that could not be completed
	c. The level of cooperation by the Member during the Audit process
	d. Any unresolved conflicts, disputes or disagreements that affected the Audit Scope or objectives such as:
	    • availability of the Member's key personnel
	    • access to documentation and records
	    • observations of activities and facilities.
	e. The report must include reasons for these limitations as well as any follow-up action/s such as the need to review these at the next audit.
	f. Confirmation that the Audit Team were independent from the Member and free of conflicts of interest.

Audit Findings and Objective Evidence	Includes:
	a. Conformances by relevant criteria with related objective evidence
	b. Minor Non-Conformances by relevant criteria with related objective evidence
	c. Major Non-Conformances by relevant criteria with related objective evidence
	d. Not Applicable Criteria
	e. Critical Breaches with related objective evidence
	f. Noteworthy Achievements (if relevant)
	g. Suggested Business Improvements (if relevant)
	h. Summary and scope of recognised external certification schemes and parallel initiatives (as noted in Table 3, section 3.7) including status of non-conformances for these schemes and initiatives where they relates to ASI Standards
	i. Status of implementation, closure and effectiveness of corrective actions from previous non-conformances
	j. Summary of the Member's related internal audit programs
	k. Maturity Ratings
	
	All findings must include documentation of supporting Objective Evidence, generalised so as not to compromise confidentiality, security or commercially sensitive information. For example this will include:
	    • Personnel roles interviewed
	    • Documents and records sighted & reviewed including dates and unique identifiers
	    • Activities and facilities observed
	
	Where sampling has been used, auditors must explain their sampling strategy and rationale for the choice of samples.
	
	All Non-Conformances must be recorded and include the underlying root cause of the

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Report Section – Heading	Content
	Non-Conformance.
Auditors Remarks	Includes: a. Any concluding remarks on the Audit process or Statement of Conformance. b. Any other information the Auditor wishes to submit to ASI.
Next Audit	Includes: a. Next Audit Type (Surveillance or Re-Certification) b. Recommended timing
Supporting references	Includes any reference documentation or supporting information, such as a list of abbreviations or acronyms, if relevant.

8.18   Preparation and Publication of Summary Audit Reports

The ASI Secretariat will publish the following extracts from the ASI Audit Report in a Summary Audit Report for each Certification:

- Name of the Member
- Certification Scope
- Certification number
- Certification status and the corresponding Certification Period including the expiry date
- Schedule (approximate) for Surveillance/Re-Certification Audits
- Audit Scope
- Statement of Conformance
- Summary of findings including a description of conformance demonstrated for each criterion, and non-conformances issued with a summary of the evidence reviewed.

The Summary Audit Report will be reviewed and approved for publication by the Member before it is posted on the ASI website.

Note that Members may publically disclose their Audit Report (as per section 8.17) in accordance with their internal processes for public disclosure *and* in accordance with the ASI Claims Guide.

8.19   Post Audit Verification Closure of Major Non-Conformances

Corrective Actions established to address Major Non-Conformances, that have been implemented to completion shall be verified for effectiveness by the ASI Accredited Auditor that issued the Non-Conformance. A variation for this requirement may be sought via the ASI Assurance Platform, *elementAl* in situations where the original Auditor is unable to do so and/or another ASI Accredited Auditor has agreed to carry out the effectiveness verification.

9. ASI Oversight, Support and Administration

9.1 ASI Oversight Mechanism

The ASI Secretariat carries out a number of processes designed to oversee and support the integrity and credibility of its assurance model. These include maintaining public information on certification status via the ASI website, reviewing Audit Reports for consistency with this Assurance Manual, implementing procedures for Auditor Accreditation and oversight, and providing training and support.

Witness audits are part of the ASI Auditor Accreditation process, and involve oversight by independent expert reviewers, academics and/or stakeholders, as required. Where Indigenous Peoples are affected by an operation, the Indigenous Peoples Advisory Forum will have input into the involvement of Indigenous Peoples and/or Indigenous rights experts in these processes.

9.2 Issuing ASI Certification and Publishing on the ASI Website

On receipt of an Audit Report from an Auditor, the ASI Secretariat will undertake a review process before issuing ASI Certification. This process includes the following steps:
- Confirm the competence of the Auditor(s) against the Accredited Auditor register
- Confirm that the Member's ASI membership is in good standing
- Review the Audit Report and confirm that the Audit process and findings are consistent with the instructions to Auditors in this Assurance Manual
- Document the Certification Scope and relevant details about the Member, the date Certification becomes effective and expires, and when re-assessment is due, and the ASI Standard (including issue number and/or revision) used as the criteria for the Audit
- Issue formal documentation and information to the Member, including:
  - o A unique Certification number
  - o The ASI Claims Guide

Record the Member's Certification status on the ASI website including the Member's Summary Audit Report (see section 8.18).

Each ASI Certification or Re-Certification Audit will have a different Certification number to enable tracking of successive Certification Status. The history of all ASI Audits and Certification numbers for each Member will be maintained on the ASI website.

9.3 Safeguarding Impartiality and Quality Control

ASI implements a number of processes to ensure the quality and integrity of its Certification. These processes include:
- Provision of standardised processes and terminology to Members and Auditors for carrying out Self Assessments and Audits
- Requirements to identify any potential conflicts of interest
- Guidance on ASI Standards and Certification
- Training and support for Members and Auditors
- Oversight of auditing quality through periodic witness audits and/or peer reviews

There is also a strong reliance on Accredited Auditors' own checks and quality control processes, which is the reason why ASI accredits firms that:

- Are themselves independently accredited to internationally recognised standards for Conformity Assessment Bodies (CABs), or can demonstrate conformance independently
- Have internal systems for managing Auditor qualifications and quality
- Have internal systems for verifying findings
- Have clear processes for dealing with clients with professionalism and integrity.

Accredited CABs and Auditors may be subject to impromptu witness Audits and reviews by independent peers assigned by ASI as part of its assurance oversight. Periodic reviews of ASI'S own certification and decision making activities are also carried out to ensure that integrity and impartiality of the process is not compromised.

The findings of these reviews and oversight may prompt the need for refresher training and/or the implementation of other ASI controls designed to maintain the credibility of ASI Certification. In some cases, it may result in sanctions and disciplinary proceedings against Members or Auditors triggered by actions or omissions that affect the integrity of ASI Certification. Sanctions include revoking an Auditor's Accreditation status or a Member's Certification (see section 11).

9.4   ASI Claims

Certified Members and Entities will be entitled to promote their Certification status to other parties including final consumers. The ASI Claims Guide includes rules relating the use of the ASI logo or Certification number, which are provided to ASI Members on achieving their Certification.

As detailed in the Claims Guide, Claims about certification will be restricted for Members with Provisional Certification.

Members must not use the ASI logo or Certification number in a manner that makes any misleading statements regarding their Certification. Members must not imply that the Certification applies to Entities, Facilities or Products/Programs outside of the Certification Scope.

Note that Certification against the ASI Performance Standard alone does not entitle Members to use the ASI logo on products.

9.5   Reminder Notifications to Members

The ASI Secretariat will issue reminder notifications to Members for pending deadlines relating to the following scenarios:

- Certification to the ASI Performance Standard, which must be achieved within 2 years of the launch of ASI Certification, or 2 years of joining, whichever is later
- Surveillance Audits during a Certification Period
- Re-Certification pending expiry of the current Certification Period.

9.6   Data Confidentiality

The confidentiality of Members' commercially sensitive information is a core commitment for ASI, governed by both ASI's Confidentiality Policy and Anti-Trust Compliance Policy.

Key points about how the ASI Secretariat maintains data and information confidentiality are summarised below:

- The ASI Secretariat will access information about Members and their Facilities provided in:
  - An application for the purposes of becoming a Member
  - The ASI Assurance Platform, *elementAl*, and Audit Reports for the purposes of Certification
  - Reporting under the Chain of Custody Standard and for ASI's Monitoring and Evaluation program
  - Any investigations required under the ASI Complaints Mechanism.
- Any commercially sensitive information will be kept strictly confidential within the ASI Secretariat. ASI staff and consultants sign confidentiality agreements as part of their contracts.
- All information will be maintained securely and will not be exchanged or disseminated to any third party except for the information which is published on the ASI website (see section 9.2), and aggregate and non-identifying information for the purposes of ASI's impacts reporting.

9.7   Training and Support

The ASI Secretariat will facilitate web-based delivery of information resources and training to all Members and Accredited Auditors. Additional face-to-face information sessions and workshops may also be organised.

ASI will work to develop best practice case studies and other forms of peer support. These may be supported by ASI and/or other organisations, and may include workshops, seminars, emailed briefs, inter-Member support and additional online resources.

If there are any questions regarding available training and support, contact the ASI Secretariat for guidance: info@aluminium-stewardship.org

10. Changes and Variations

10.1 Change Types

Changes to a Member's or Auditor's business, whether permanent, temporary, or incremental, are common and may be relevant to the integrity of the Certification program. Changes that must be reported to The ASI Secretariat include any changes to a Member's ASI Certification Scope, or to Accredited Auditors' Accreditation Scope.

10.2 Certification Scope Changes

The Certification Scope may change if there is a change to the Member's business, such as:

- Organisational restructure
- Divestments and acquisitions or change to the equity share of businesses
- Changes to activities, products and processes
- Changes to the locations and distribution of the Member's Facilities
- External influences such as changes in the statutory environment, regulations and/or other stakeholder expectations and commitments that affect the organisation.

The ASI Secretariat must be notified of changes to the Member's business that differs from the published Certification Scope. The Member must also re-assess their business in light of the changed Certification Scope to prepare for the next scheduled audit, which will either be a Surveillance Audit or Recertification Audit. The ASI Assurance Platform can be used for this purpose.

If during the Certification Period the Member wishes to add Entities, Facilities or Products/Programs to its existing Certification Scope, a new Certification Audit will be required for the added elements. The dates of the original Certification Period will continue to apply if these changes are addressed via a Surveillance Audit. Depending on the structure of its business, the Member could alternatively seek Certification for the additional Entities, Facilities or Products/Programs, with a separate Certification Scope, for which a new Certification Period would apply.

10.3 Divestments and Acquisitions

At times, the Control of a Business, Facility and/or Product/Program that falls under an existing ASI Certification may change through a divestment or acquisition.

For the ASI Certification status of the acquired assets (including any inventory of CoC Material) to continue, the new Entity in Control, if not already an ASI Member will be required to become an ASI Member within 6 months of the acquisition, thereby committing to comply with ASI membership obligations and the ASI Complaints Mechanism.

A Surveillance Audit of the Certified Business, Facility and/or Product/Program must be conducted as already scheduled, or within 12 months of the acquisition, whichever is first. The Scope of the Surveillance Audit should be determined based on areas of potential changes due to the acquisition. The rationale for any changes to the Certification Scope should be documented in the Audit Report.

If the new owner is not an ASI Member within 6 months of the acquisition, or a Surveillance Audit is not completed within 12 months, then the ASI Certification covering the acquisition will be revoked. Where applicable, this will mean that any CoC Material loses its status at that point, and can no longer be claimed or sold as CoC Material.

This process provides a transition period (until the next scheduled audit) for a potential new Member whilst continuing to recognise that the ASI Certification covering the Business, Facility or Product/Program has value in the aluminium supply chain. The ASI Secretariat must be informed by the divesting Member of the divestment within a week of the transaction date at the latest, or ideally in advance wherever possible, so that the ASI website can be updated accordingly.

10.4   Accreditation Scope Changes

Accredited Auditors must inform the ASI Secretariat of any changes to its organisation that may affect their Accreditation Scope, capacity and competence to conduct independent Audits. Changes may include:

- Audit personnel (employees and contractors and sub-contractors)
- Company names and/or contacts
- Geographic locations of operation
- Status of existing Accreditations to ISO/IEC 17021, or to other management system certification schemes such as ISO 14001, SA 8000, OHSAS 18001 and ISO 9001.

Accredited Auditors are encouraged to apply to ASI to have their Accreditation Scope expanded, where they can demonstrate the ability to do so.

10.5   Member Changes the ASI Accredited Auditors to conduct Certification Audits

Members are able to select and change an audit firm from the list of ASI Accredited Auditors to conduct their ASI Audits. However:

- An Entity with Provisional Certification status must use the same ASI Accredited Auditor until the Major Non-conformances have been closed, wherever possible
- Members must provide ASI Accredited Auditors with copies of previous Audit Reports when changing to a new ASI Accredited Auditor.

11. ASI Complaints Mechanism and Disciplinary Procedures

11.1 ASI Complaints Mechanism

ASI aims to ensure the fair, timely and objective resolution of complaints relating to ASI Certification. Where complaints arise, it is a condition of participation in ASI activities for Members and Accredited Auditors to submit to the ASI Complaints Mechanism, and to be bound by the decisions of ASI. However this does not replace or limit access to judicial remedies.

Full documentation supporting the ASI Complaints Mechanism can be downloaded from www.aluminium-stewardship.org

11.2 Triggers for disciplinary proceedings

ASI is committed to ensuring the proper implementation of ASI Certification programs amongst its Members and maintaining the integrity of the auditing activities carried out by Accredited Auditors. Disciplinary proceedings for Members or Accredited Auditors may arise from a lack of performance against requirements, the result of a complaint, or other material issues drawn to the attention of the ASI Secretariat. Triggers for disciplinary proceedings may include:

- Outcomes of complaints investigated via the ASI Complaints Mechanism
- ASI Certification not complete or renewed by the applicable deadline
- Critical breaches identified by an Auditor
- Major or repeated non-conformances that are not satisfactorily addressed by the Member
- Agreed and reasonable timeframes for corrective action not met
- Deceptive or otherwise improper auditing
- Knowingly providing false, incomplete or misleading information to ASI or an Auditor
- Judgements by a court of law, or other legal or administrative regulatory body, on issues relating to ASI Standards that establishes a breach of ASI Standards or Membership requirements
- Otherwise bringing ASI into serious disrepute.

11.3 Disciplinary procedures

Procedures for disciplinary proceedings against Members and Auditors are laid out in the ASI Complaints Mechanism and Constitution. If the outcome of due process is a decision to apply sanctions, these may include:

- For Members: temporary or permanent loss of ASI membership
- For Auditors: temporary or permanent loss of ASI accreditation.

In the case of ASI Certification not complete or renewed by the applicable deadline, the ASI Secretariat may permit one extension period of up to six months if certain criteria are met. If the specified criteria for an extension are not met, or the Member fails to meet the extension deadline, the Member will automatically lose their ASI membership. A stand-down period of one year will apply before the Member can re-apply for ASI membership.

Members or Auditors subject to disciplinary action have the right, within three months of notification of the decision, to refer any dispute arising out of disciplinary proceedings for final appeal and resolution by independent arbitration.

Disciplinary proceedings will be treated with confidentiality and decisions will be based on Objective Evidence. The ASI Secretariat may seek independent legal advice or the involvement of independent Auditors to assist with the investigation and decision.

12. References

International Accreditation Forum (IAF), GD 24: 2009, Guidance on the Application of ISO/IEC 17024: 2003.

International Accreditation Forum (IAF), MD 5: 2013, Duration of QMS and EMS Audits.

ISEAL Alliance, Code of Good Practice for Assuring Compliance with Social and Environmental Standards (the Assurance Code), 2012.

ISEAL Alliance, Code of Good Practice Assessing the Impacts of Social and Environmental Standards (the Impacts Code), 2014.

ISO/IEC 17000. Conformity assessment – Vocabulary and general principles.

ISO/IEC 17011. General requirements for accreditation bodies accrediting conformity assessment bodies.

ISO 17021: 2006. Conformity assessment – requirements for bodies providing audit and certification of management systems.

ISO 17024: 2003. Conformity assessment – general requirements for bodies operating certification of persons.
ISO/IEC 17065:2012 Conformity assessment – Requirements for bodies certifying products, processes and services

ISO 19011:2011. Guidelines for auditing management systems.

Military Standard 105D (Sampling Procedures and Tables for Inspection by Attributes).

Responsible Jewellery Council, RJC Assessment Manual, 2013.

Roundtable on Sustainable Biomaterials, RSB Standard for Risk Management, version 3, 2014.

Appendix 1 – Guidelines for Conducting Effective Audits

Communication and Interpretive Skills

Audits and auditors are often viewed by those being audited as threatening. While auditors are there to evaluate conformance, audits are more effective when they are conducted in an atmosphere of mutual respect.

Communication skills are very important for auditors. To enhance the audit process, auditors should try to find common ground early in the conduct of an audit. A good technique to relax people is to get them talking. People usually like to talk about themselves and what interests them.

Perception and interpretation are also critical parts of an auditor's judgment. A message or statement simply being misheard or misread can impact and confuse audit findings. Auditors need to take time to clarify and verify findings, to minimise the potential for inaccurate results.

Effective Questioning

Interviews are one of the important means of collecting information and should be carried out in a manner adapted to the situation and the person interviewed, either face to face or via other means of communication. During the interview, there are a number of questioning techniques that can be employed to open discussions, accumulate data, promote involvement, determine understanding and keep discussions on track. Such questions include the following:

- Open questions: used to get the auditee talking
- Probing questions: used to uncover core issues
- Challenging questions: used when answers contradict, and to counteract generalisations, exaggerations or dismissive behaviour
- Reflecting questions: used to test understanding
- Closed questions: used to direct, keep on track and check facts.

The following tips describe effective questioning techniques:

- Use an open and friendly approach
- Be aware of your own body language
- Ask lots of open questions such as "Explain to me....", "Tell me more about..."
- Use closed questions sparingly.

When conducting interviews, the following factors should be considered:

- interviews should be held with persons from appropriate levels and functions performing activities or tasks within the audit scope.
- interviews should normally be conducted during normal working hours and, where practical, at the normal workplace of the person being interviewed.
- individual and group interviews may be conducted.
- translators and support personnel may be present during the interviews.
- quiet meeting rooms should be made available for interviews, however some interviews may be conducted in an open place.
- if requested by either the interviewee or the Auditor, interviews can be conducted in a confidential manner without the presence of management.

- attempt to put the person being interviewed at ease prior to and during the interview.
- the reason for the interview and any note taking should be explained including that nobody is reprimanded for their responses. Also explain that they may be asked to describe and/or demonstrate how they carry out their day to day duties to enable the Auditor to observe practices and verify other testimonial or documented statements.
- interviews may be initiated by asking the persons to describe their work.
- careful selection of the type of question used (e.g. open, closed, leading questions).
- the results from the interview should be summarized and reviewed with the interviewed person.
- The interviewed persons should be thanked for their participation and cooperation.

Finally, remember that:
- Although interviews are important, and participation should be encouraged, individuals are not compelled to participate. However, Auditors may note a situation where an Employee or Contractor has refused to be interviewed.
- Findings based on Objective Evidence gathered during interviews will ensure the interviewee's identity remains anonymous unless permission has been given by the interviewee. Note that in certain locations, it may be a legal requirement that Employees be informed of this process in advance. Where it is not a legal requirement, it is nevertheless recommended that Employees be informed about the audit and the possibility of their being interviewed.

Effective Listening

Communication is a two way process and there is a requirement to listen as well as speak. Listening involves more than simply hearing what has been said. Effective listening can be actively promoted as follows:
- stop talking
- show the auditee you want to listen
- be aware of distractions
- listen with empathy
- pause before you respond to the auditee
- make sure you understand by paraphrasing
- take notes openly
- be patient, do not interrupt

Listening is an active process which is enhanced by summarising what the auditee has said and then repeating it back.

Effective Observation

The more familiar one is with a subject, the less observant or careful one tends to be. It is important for auditors not to become complacent, nor to allow pre-conceived ideas and assumptions to influence and observation. Always verify understanding of what has been observed. Observations must be substantiated with Objective Evidence.

General Auditing Tips

Below are some tips that can be employed during an audit to render the process more transparent and effective.

- Take notes openly
- Increase transparency by good communication and involvement of auditees
- Lay open procedures – it's not an examination
- Focus on the macro first – then the micro
- Focus on results of activities – remember, the system must not only exist but be effective
- Move around and make sure you talk to people
- Use terms like "show me", and "can I see", to lead you to audit evidence
- Avoid use of words such as "why", "you", "but" and absolutes such as "always" or "never"
- Use a phrase like "is there any reason why" to ensure the validity of your audit findings
- Avoid behaviour that polarises auditors from auditees
- Don't nit-pick. Put findings in perspective
- Don't criticise
- Don't force your preconceived ideas on auditees
- Don't set people up
- As you find problems, discuss them. Don't wait until the closing meeting

Appendix 2 – Sample Corrective Action Plan Template

The following template can be used in a Word document, Excel spreadsheet, or similar, to record and track corrective actions. If the Member already uses its own internal systems to record and track such issues, developing a separate system using this template is not required.

Reference (to a finding, risk, topic etc.)	Action	Responsibility	Due Date	Status (Open/Closed)	Review Date	Completion (Signed and Dated)	Effectiveness Verification and Sign Off	Comments

Appendix 3 – Sample Audit Plan Template

The following template can be used in a Word document, Excel spreadsheet, or similar to set out an Audit Plan. Most Auditors would already have their own in-house versions.

Date	Time	Activity	Audit Scope		Location/ Facility	Auditor/s Details		Auditee/s Details		Other Information
			Standard	Criteria		Name	Role	Name	Role	
		For example: • *Site induction* • *Opening meeting* • *Auditing* • *Exit/closing meeting* • *Audit team briefing* • *Member briefing* • *Lunch/Break* • *Report Preparation* • *Travel*	• *Performance Standard* • *Chain of Custody Standard*	*For example:* • *1.1* • *1.2*			*For example:* • *Lead Auditor* • *Team Auditor* • *Registered Specialist* • *Observer*		*For example:* • *Job function* • *External stakeholder*	*For example:* • *Safety requirements* • *Travel* • *Logistics*

Glossary

Accreditation	Third party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out a specific conformity assessment task (ISO/IEC 17000). In the context of ASI, it is recognition of an Auditor's eligibility and competence to carry out audits and evaluate conformance against an ASI Standard. See also ASI Accredited Auditor.
Accreditation Scope	The ASI Accreditation Scope defines the extent and boundaries that an Accredited Auditor is permitted to conduct ASI Audits characterised by: • ASI Standards • Countries or regions • Aluminium value chain sectors • List of auditors
Alumina	Aluminium oxide, which is refined from bauxite ores as an input to aluminium smelting.
Alumina Refining	The process of extracting Alumina from bauxite ore, generally by the Bayer process.
Aluminium	Aluminium is a chemical element with symbol Al and atomic number 13. It is a silvery-white, soft, nonmagnetic, ductile metal. Aluminium is the third most abundant element, and the most abundant metal in the Earth's crust. It can be pure or alloyed with other metals (Mg, Si, Mn, Cu, Zn, Fe, Cr and others). In ASI documents, the raw materials used to produce the metal (bauxite ore and alumina) as well as Aluminium alloys may be referred to as Aluminium in its generic meaning. ASI covers metallic Aluminium and not other forms of chemical compounds that may contain aluminium.
Aluminium Re-Melting/Refining	Processes for recycling aluminium process scrap and used aluminium products, which may include processes to improve the quality of secondary aluminium by removing unwanted elements or impurities. In this context, Aluminium refining includes recovery and refining of aluminium from Dross and Dross residues such as slag.
Aluminium Smelting	The process of extracting aluminium from its oxide, alumina, generally by the Hall-Héroult process.
Applicable Law	The relevant international and/or national and/or state and/or local laws of the country or countries in which the Member operates. This may include, but is not restricted to, acts, regulations and statutory policies. Where a conflict arises between Applicable Law and the requirements of an ASI Standard, Applicable Law has precedence.
Area of Influence	Encompasses, as appropriate, areas likely to be affected by: (a) an Entity's activities and facilities, and/or impacts from unplanned but predictable developments that may occur later or at a different location, and/or indirect project impacts on biodiversity or on ecosystem services upon which affected communities' livelihoods are dependent; (b) associated facilities, which are facilities not controlled by the Entity but that would not have otherwise been constructed or expanded and without which the Entity's activities would not be viable; and (c) cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the Entity's activities, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted. Examples for (a) include the project's sites, the immediate airshed and watershed, or transport corridors, and indirect impacts include power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas,

	construction camps, and contaminated land (e.g., soil, groundwater, surface water, and sediments).
	For (b), examples of associated facilities may include railways, roads, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.
	For (c), cumulative impacts are limited to those impacts generally recognized as important on the basis of scientific concerns and/or concerns from affected communities. Examples of cumulative impacts include: incremental contribution of gaseous emissions to an airshed; reduction of water flows in a watershed due to multiple withdrawals; increases in sediment loads to a watershed; interference with migratory routes or wildlife movement; or more traffic congestion and accidents due to increases in vehicular traffic on community roadways. (Adapted from International Finance Corporation (IFC) Performance Standard 1 – Guidance Notes)
	Notes:
	• 'Area of Influence' is referenced in 7.1 (Water Stewardship), 8.1 (Biodiversity) and 9.5 (Cultural and Sacred Heritage), in relation to the Entity assessing impacts and managing risks in these areas for a given Certification Scope.
	• Some activities and related impacts/risks in an Area of Influence may not be under the Control of the Entity. However where required by these criteria, these impacts and risks shall still be assessed by the Entity and, wherever practicable, mitigation measures and/or controls should be put in place.
	• Associated facilities which are part of an Entity's Area of Influence but not under the Entity's Control are not part of the Certification Scope. In other words, the *activities and related impacts/risks* of associated facilities which are not under the Entity's Control are not factored into determining the Entity's conformance.
Assurance Manual	Instructions for Members and Auditors on how to carry out Self Assessments and Audits.
Assurance Platform, *elementAl*	ASI's cloud-based platform, known as *elementAl*, for managing the ASI assurance and Certification process and associated data.
ASI	Aluminium Stewardship Initiative Ltd
ASI Accredited Auditor	An independent third party person or organisation meeting ASI's objective selection criteria and accredited to carry out ASI Audits.
ASI Certification	An attestation, based on the results of a Certification Audit by an ASI Accredited Auditor, that the required level of Conformance has been achieved against the applicable ASI Standard and for the documented Certification Scope.
ASI Chain of Custody Standard	Sets out systems for the sourcing, custody and/or supply of responsibly sourced aluminium.
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.
ASI Performance Standard	Defines environmental, social and governance principles and criteria, with the aim to address sustainability issues relevant to the production and material stewardship of aluminium, from the extraction of bauxite to the production of commercial and consumer goods, and the recycling of pre- and post-consumer aluminium scrap.
ASI Standards	Includes the ASI Performance Standard and the ASI Chain-of-Custody Standard.
Associated Facilities	Facilities that may or may not be funded as part of the project (funding may be provided separately by a client or a third party including the government), and whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project. See also 'Area of Influence'.

Associations membership class	An ASI membership class that is open to industry and other trade associations that represent commercial interests in any part of the aluminium value chain, such as aluminium associations, green building councils, and downstream sector associations.
Audit	Assessment carried out by an independent third party ASI Accredited Auditor for the purposes of confirming conformance of an ASI Member with the ASI Standard/s. Audit types include Certification Audits, Surveillance Audits and Re-Certification Audits.
Audit Plan	Developed by an Auditor to outline what of the Member's Facilities and Business Activities within the documented Certification Scope will be reviewed, by whom, and when, and nominates which Member personnel should be involved.
Audit Report	Report on the Audit generated by the Auditor and submitted to the Member and to ASI via the ASI Assurance Platform.
Audit Scope	The Audit Scope is defined by Auditors and includes a selection of Facilities, Business Activities within the Member's Certification Scope, and a selection of Criteria considered to be the most relevant, taking into account the nature, scale and impact of the Member's business.
Audit Team	One or more Individual Auditors conducting an ASI Certification Audit, supported if needed by Technical Experts.
Auditor	An independent third party person or organisation meeting ASI's objective selection criteria and accredited to carry out ASI Audits.
Bauxite	Mined ore used to produce alumina and aluminium metal. It consists largely of hydrated alumina with variable proportions of iron oxides.
Bauxite Mining	Extraction of Bauxite from the earth for commercial purposes.
Business	An organisation or business under the Control of a Member that is commercially involved in the Aluminium supply chain.
Business Activity	A task, role, function or service relating to performance within the Member's defined Certification Scope. Business Activities may or may not be performed at a Facility within the Certification Scope.
CAB	Conformity Assessment Body
Casthouse (and Cast House Products)	**Casthouse:** Where molten aluminium in furnaces, usually sourced as Liquid Metal, Cold Metal and/or other alloying metals, is cast into specific Casthouse Products to meet customer specifications or supplied to a customer as Liquid Metal. **Casthouse Products** are defined in the ASI Chain of Custody Standard as Aluminium or its alloys in forms that include ingots, slabs, bars, billets, wire rod or other speciality products and which have a physical stamp or marking on or with the product that identifies the producing Casthouse and a unique identification number.
Certified	ASI Certification that is currently valid.
Certification	An attestation issued by ASI, based on the results of a Certification Audit by an ASI Accredited Auditor, that the required level of Conformance has been achieved against the applicable ASI Standard and for the documented Certification Scope.
Certification Audit	A Certification Audit comprises the following: • A preliminary desktop review of a Member's Self Assessment and other related information; • Development of an Audit Plan to identify the relevant Facilities and Business Activities to visit and assess; • Verification of conformance through implementing the Audit Plan; • Preparation of an Audit Report for the Member and ASI.
Certification Period	The period of time that Certification is valid, after which time the Certification must be renewed through a Re-Certification Audit or new Certification Audit. Certification Periods are for one year or three years duration, depending on the findings of the Certification Audit.

Certification Scope	The Certification Scope is defined by the Member and sets out what parts of a business, Facilities and/or Business Activities are covered by an ASI Certification. There are three possible approaches to Certification Scope: • Business Level: covers a whole Member company, a subsidiary of a Member or a business unit of a Member. • Facility Level: covers a single Facility or group of Facilities which are a subset of a Member's total operations. • Program Level: covers a single identifiable Program or group of Programs.
Civil Society membership class	An ASI membership class that is open to not-for-profit organisations serving the public interest, such as environmental and human rights NGOs, labour organisations, Indigenous Peoples and community-based organisations, at either an international, regional, national or local level.
CoC Material	A collective term for ASI Bauxite, ASI Alumina, ASI Liquid Metal, ASI Cold Metal and ASI Aluminium. These terms are defined in the ASI Chain of Custody Standard.
Collection	Collection of process scrap and/or used aluminium products for the purposes of recycling.
Conformance	The Entity's policies, systems, procedures and processes, within the defined Certification Scope, perform in a manner that conforms to the applicable Criterion.
Conformance Rating	Self Assessment or Audit findings rated as: • Conformance • Minor-Non-Conformance • Major Non-Conformance • Not Applicable
Contractor	An individual, company, or other legal Entity that carries out work or performs services pursuant to a contract for services for a Member. This includes sub-contractors.
Control	Control by a Member consists of: 1. Direct or indirect majority ownership or Control (alone or pursuant to an agreement with other Members) of 50% or more of the voting rights (or equivalent) of the Controlled business or Facility; and/or 2. Direct or indirect (including pursuant to an agreement with other Members) power to remove, nominate or appoint at least half of the members of the Board of the directors or management (or equivalent of the Controlled business or Facility); and/or 3. Day-to-day executive management of the Controlled Business Activity or Facility such as by setting workplace standards and enforcing their application; or 4. Any legally recognised concept of 'Control' analogous to those described in (1) to (2) above in a relevant jurisdiction. Although the above defines 'Control' in a corporate context, the same principles will apply by analogy to other organisational arrangements, including franchising and licensing (where intellectual property rights are licensed to third parties not under the Control of the Member for the purposes of enabling those third parties to produce, market, or sell all or part of products or services that contain a Member's brand name, trademark or other intellectual property) and Control by an individual or a family, where applicable.
Corrective Action	An action implemented by a Member to: • remediate or make good the effects or harm resulting from the Non-conformance or incident, and • eliminate the cause of a Non-Conformance or an incident, in order to prevent a recurrence.

Corrective Action Plan	Plans with set milestones developed by Members to address non-conformances identified during a Self Assessment or Audit.
Criterion (plural = Criteria)	A requirement stipulated in an ASI Standard.
Critical Breach	A situation identified by the Auditor or through the ASI Complaints Mechanism deemed to be critical to the integrity of the ASI Certification program. Critical Breach situations are identified in section 6.3 of the Assurance Manual. Identification of a Critical Breach requires Auditors to immediately notify the Member and the ASI Secretariat.
Downstream Supporters membership class	An ASI membership class that is open to organisations that manufacture consumer or commercial goods containing aluminium in the: aerospace, automotive, construction, consumer durables, engineering, IT, and similar sectors; organisations in the beverage, food, pharmaceutical and similar sectors that use aluminium in packaging for their products; and organisations that trade physical aluminium or collect aluminium for re-melting or recycling. Downstream Supporters are not required to seek ASI Certification.
Employee	An individual who has entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied, and (if express) whether oral or in writing, or as defined by Applicable Law, with a Member. This includes permanent, temporary, full-time, part-time, casual, home-work and/or seasonal employees at any level.
Entity	A business or similar which is under the ownership or Control of an ASI Member. An Entity can constitute part or whole of an ASI Member. In relation to the application of an ASI Standard, the Entity seeks or holds ASI Certification and is responsible for implementation of the Standard in the defined Certification Scope.
Facility	A Facility is a site or premises that is: • Under the Control of a Member; • For the purposes of ASI Certification, within the documented Certification Scope.
General Supporters membership class	An ASI membership class that is open to organisations that support ASI's mission not falling into one of the other membership classes, such as: governments and regulators, international institutions, investment sector, parallel initiatives, academic and research institutions, specialist agencies, consultancies, media organisations, and related industries (for example, waste processing of bauxite residue, dross or spent pot-lining). This class excludes organisations seeking to carry out independent third party-audits: they must go through the ASI auditor accreditation process and cannot also be members of ASI.
Industrial Users membership class	An ASI membership class that is open to organisations that manufacture consumer or commercial goods containing aluminium in the: aerospace, automotive, construction, consumer durables, engineering, IT, and similar sectors; and organisations in the beverage, food, pharmaceutical and similar sectors that use aluminium in packaging for their products. Industrial Users are required to seek ASI Certification for at least one of their Facilities or Products.
IPAF	Indigenous Peoples Advisory Forum
ISEAL	ISEAL Alliance, an organisation which represents the movement of credible and innovative sustainability standards.
ISO	International Organisation for Standardisation
Lead Auditor	A Lead Auditor is responsible for the efficient and effective conduct and completion of an Audit and may co-ordinate a team of Auditors.
Liquid Metal	Aluminium in a molten form.
Major Non-	The Entity's policies, systems, procedures and processes, within the defined

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Conformance	Certification Scope, perform in a manner that is not conformant with the Criterion due to: • The total absence of implementation of a required Criterion; • A systemic failure or total lack of required controls; • A group of related, repetitive or persistent Minor Non-Conformances indicating inadequate implementation. It may also be a situation where the Entity does not comply with Applicable Law and the situation presents a Significant Risk to workers, the environment or the community. Note that a Significant Risk is usually defined by an Entity's or an Auditors' internal risk processes. However, it should consider situations where there is a high chance of • injury or illness to one or more people resulting in permanent partial impairment or disability or death • long term irreversible impacts to the environment, sensitive species, habitat, ecosystems or areas of cultural importance) • affecting large numbers of the local community (one stakeholder group) or multiple stakeholder groups and impacting on the Entity's ability to retain its 'social licence to operate'.
Management system	Management processes and documentation that collectively prove a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve the desired outcomes and to drive continual improvement in performance.
Material Conversion	Further processing (for example cutting, stamping, bending, joining, forging, product casting, packaging production etc.) of Casthouse Products or semi-fabricated aluminium products, into products or components that are used in or sold for final assembly or filling and sale to end consumers.
Maturity Categories	The three parts that are used to establish the Entity's Overall Maturity Rating, namely: • Systems • Risk • Performance
Member	An entity or group of entities that is a current member of one of ASI's six membership classes: • Production and Transformation (eligible for ASI Certification) • Industrial Users (eligible for ASI Certification) • Civil Society • Downstream Supporters • Associations • General Supporters The use of Member in the Assurance Manual usually means an ASI Member (or an Entity under its Control) seeking ASI Certification.
Minor Non-Conformance	The Entity's policies, systems, procedures and processes, within the defined Certification Scope, perform in a manner that is not wholly conformant with the Criterion, due to an isolated lapse of either performance, discipline or control which does not lead to a Major Non-Conformance.
Multi-Site Organisation / Entity	Where an Entity has an identified central head office (or functional office, or geographic headquarters, etc.) which controls or oversees the management of a network of sites or branches which carry out the Entity's activities. A Multi-site Organisation need not be a unique legal entity, but all sites shall have a legal or contractual link with the central head office and be subject to a common management system.

Non-Conformance	A situation where the Entity's policies, systems, procedures or processes, within the defined Certification Scope, do not conform to the applicable ASI Standard.
Not Applicable	The Criterion cannot be implemented by an Entity due to the nature of its business within the defined Certification Scope.
Objective Evidence	Verifiable information, records, observations and/or statements of fact, and which can be qualitative or quantitative.
Outsourcing Contractor	An individual, company or other business that takes Custody of CoC Material from an Entity for the purpose of processing, treatment, or manufacturing the CoC Material for that Entity. Outsourcing Contractors that are not themselves CoC Certified must be included in the Entity's CoC Certification Scope.
Overall Maturity Rating	A rating of Maturity (Low, Medium High) in terms of systems, risk and performance assigned to a defined Certification Scope, determined by an Auditor.
Policy	A statement of principles and intentions.
Principle	A statement of intended impact of the Criteria in the ASI Performance Standard.
Primary aluminium	Aluminium produced from bauxite ore.
Procedure	A specified manner to conduct an activity or a process. Procedures can be documented or not.
Product	A product comprising or containing Aluminium that is produced by an ASI Member.
Product/Program	A product or program, focused for example by a set of activities or a particular market, which is managed by an ASI Member and used to define a Certification Scope.
Production and Transformation membership class	An ASI membership class that is open to organisations with activities in one or more of: bauxite mining, alumina refining, aluminium smelting, aluminium re-melting and refining, semi-fabrication and/or material conversion. Production and Transformation members are required to seek ASI Certification for at least one of their Facilities or Products.
Provisional Certification	Certification where there is at least one Major Non-Conformance identified.
Registered Specialist	A person registered by ASI as being a technical expert that can support the implementation or assessment of ASI Standards. Registered Specialists may be used by Members and Auditors.
Re-Certification Audit	A Certification Audit conducted at the end of the Certification Period to renew the Member's Certification.
Risk	The chance of something happening that will have an impact on objectives, measured in terms of consequence and likelihood.
Secondary aluminium	Aluminium produced from recycled process scrap and used aluminium products.
Self Assessment	An assessment carried out by a Member seeking ASI Certification, describing their Certification Scope and carrying out a preliminary evaluation of their own performance against the applicable requirements of the ASI Standard/s. The Self Assessment can be used to gauge preparedness for a Certification Audit, identify the need for any corrective action to improve performance, and to identify Objective Evidence required during a Certification Audit.
Semi-Fabrication	Rolling or extrusion of Casthouse Products, as an intermediate processing stage for subsequent Material Conversion and/or further downstream processing and manufacturing of finished products. Examples of semi-fabricated products include sheet, foil, and can stock; extruded rod, bar, shapes, pipe and tube; and other mill products such as drawing stock, wire, powder and paste.
Significant Risk	A Significant Risk is usually defined by a Member's or an Auditor's risk processes. However, it should consider situations where there is a high chance of • injury or illness to one or more people resulting in permanent partial impairment

	or disability or death • long term irreversible impacts to the environment, sensitive species, habitat, ecosystems or areas of cultural importance) • affecting large numbers of the local community (one stakeholder group) or multiple stakeholder groups and impacting on the Member's ability to retain its 'social licence to operate'.
Statement of Conformance	The Statement of Conformance is completed and signed by the Lead Auditor, and includes: • The overall determination of Conformance for the Member's defined Certification Scope, for the purposes of issuing Certification. • Confirmation of the conditions under which the Audit was conducted, including that there were no material conflicts of interest present.
Suggested Business Improvement	A situation where the policies, systems, procedures and processes are in Conformance with the applicable ASI Standard/s, but where an Auditor determines that there is scope to improve these current processes. A Suggested Business Improvement is offered without prejudice, and its implementation is not mandatory. Subsequent Audits shall not just performance based on the implementation, or lack thereof, of a Suggested Business Improvement.
Summary Audit Report	An extract from the Audit Report that is published on the ASI website (see section 8.18).
Surveillance Audit	An independent review within the Certification Period conducted by an ASI Accredited Auditor to provide assurance that the Member continues to conform to the applicable ASI Standard/s within the defined Certification Scope.
Sustainability Components (per the ASI Performance Standard)	The Sustainability Components are built into the structure of the ASI Performance Standard, namely: • Governance • Environmental • Social
Third Party	A person or body independent of the person or organisation being evaluated, and of material interests in that person or organisation.