

ASI Standards Committee – Minutes – Teleconference

Date: 3 July 2018

Antitrust Statement:

Attendees are kindly reminded that ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an Antitrust Policy, compliance with which is a condition of continued ASI participation. Failure to abide by these laws can have extremely serious consequences for ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals. You are therefore asked to have due regard to this Policy today and in respect of all other ASI activities.

Participants:

Co-Chairs: Annemarie Goedmakers (Chimbo Foundation), Jostein Soreide (Norsk Hydro)

Committee Members: Catherine Athenes (Constellium), Nicholas Barla (Odisha Indigenous Peoples Forum, India), Steven Bater (EGA), Giulia Carbone (IUCN), Justin Furness (Council for Aluminium in Building), Adam Lee (IndustriALL Global Union), Tom Maddox (Fauna and Flora International), Jean-Pierre Mean (Independent anti-corruption expert), Catherine Munger (Rio Tinto), Rosa Garcia Pineiro (Alcoa), Pamela Ravasio (European Outdoor Group), Kendyl Salcito (NomoGaia), Stefan Rohrmus (Schueco), Alexey Spirin (Rusal), Marcel van der Velden (Arconic), Neill Wilkins (Institute for Human Rights and Business).

Alternates: Janne Katrine Patak (BMW) as alternate for Karl Barth (BMW).

ASI Secretariat: Fiona Solomon, Sam Brumale, Krista West

Apologies: Marie-Josée Artist (VIDS - Association of Village Leaders, Suriname), Karl Barth (BMW), Christophe Boussemart (Nespresso), Justus Kammüller (WWF), Hugo Rainey (Wildlife Conservation Society), Rolf Varis (IGORA).

Invited: None

Documents circulated:

1. Meeting Agenda (including Meeting Action Log)
2. Minutes of previous meeting 25 26 May 2018 v2
3. ASI Certification Audit Report Oversight Assessment Procedure (draft 1, 25 June 2018)
4. ASI Certification Audit Report Oversight Assessment Form (V1, 6 March 2018)
5. Alternate Form [Word]
6. Proxy form for this meeting [Word]

Meeting objectives:

1. Adopt minutes of the previous meeting.
2. Update of activities since In-Person meeting in Perth during AGM Week.
3. Review and discuss draft ASI Certification Audit Report Oversight Assessment Procedure (draft 1).

Items discussed:

1. Preliminaries

- a. The co-chairs welcomed everyone to the meeting and all present introduced themselves.
- b. Apologies and proxies received were noted.
- c. The objectives and approach for the meeting were presented.
- d. **RESOLVED to accept minutes of previous meeting held on 25 - 26 May 2018 (version 2), subject to any agreed amendments.**
 - Item 4a - first bullet under presentation links: change to note that there was discussion but no agreement was reached (in order to not imply there was a vote)
 - Item 6: Protected areas and no-go – first bullet, 8th sub-bullet, change to note that there wasn't agreement about the path forward though there was agreement amongst the Standard Committee about the importance of the issue
- e. There is one open action:

#	Meeting	Subject	Action	Assigned to:	Due Date	Status
142	25 – 26 May 2018	M&E Plan	Update draft M&E Plan based on SC input and seek further input from WGs/IPAF.	Secretariat	31 August 2018	Open

Committee Discussion:

- One members asked about additional information such as on sustainability performance being provided by certified members. It was noted that this would be addressed as part of the *elementAI* update in agenda item 2c of.
- One member asked about the ability for the M&E program to be fluid and it was confirmed by the Secretariat that the M&E program can evolve over time. There are some data that ASI wants to start monitoring immediately to provide a baseline but as new information comes forward the program can be adapted.
- It was noted that a report from the UN Special Rapporteur on human trafficking will be soon released with is anticipated to have recommendations on how to include workers voices in assurance processes.

2. Standards Committee Update:

a. Accredited Auditor and Registered Specialist Update [For Information]:

- Applications received for geographic expansion from existing accredited Auditors with Bureau Veritas' geographic scope recently expanded to include Belgium and Hungary.
- Applications for ASI Accreditation received from three new global audit firms and application review process is underway.

b. Certification Update [For Information]:

- First CoC Standard Audit Report has been received and is subject to the internal audit report oversight assessment.

c. elementAI Update [For Information]:

- Member dashboard:
 - Inactivity timeout is now active
 - Ability to delete self-assessments (can be restored on request)
- Auditor Dashboard continues to be developed:
 - Entry of audit report information
 - Generation of full audit report and Public Summary Audit Report
 - Entities are invited to provide links to existing public data (e.g. Sustainability Reports) to support information in the Public Summary Audit Reports
 - Validation checks for audit completeness

- Automated 'audit outcome', 'next audit type' and 'next audit date' based on the non-conformances and overall maturity rating
- Ability to submit audit report back to the Member for fact checking Ability to submit audit report to Secretariat for oversight assessment and certification.
- Secretariat Dashboard continues to be developed:
 - Development of functionality to support the oversight assessment and management of certification status.
- Use and access to elementAI continues and during April to June 2018:
 - 14 new Member Users and 6 new Auditor users
 - 23 Self Assessments initiated for Performance Standard
 - 15 Self Assessments initiated for Chain of Custody Standard
 - 1 new audit initiated.

d. Training Program Update [For Information]:

- Auditor and member training in Shenzhen, China 19-21 June 2018. Feedback includes:
 - The auditors training was attended by 17 individuals from three separate audit firms. Dynamic discussions through the day focused on how to achieve ASI accreditation and how to apply the Standards and assurance model effectively across the value chain.
 - The Member training was attended by 17 individuals. Companies came with both specific implementation oriented questions about where to start and the assurance process as well as more broad questions about future uptake in China.
- Planned auditor & member training for remainder of 2018:
 - Berlin on 11 September for auditors and 12 September for companies
 - Chicago: late October (one for Auditors & one for Members with local site visit to Jupiter, an SME recycler). Details to follow.
 - Melbourne: mid-late October. Details to follow.
 - Gulf Region (country tbd): mid-November. Details to follow.
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- Wherever possible, the dates to coincide with conferences and other events.

Committee Discussion:

- One member asked how the training in China addressed the challenges around Freedom of Association in China. The Secretariat responded that this initial round of training was focused primarily on the ASI assurance system and that a deeper dive into specific topics, including issues covered in more detail in the Standards Guidance, was planned for 2018 Q3-4 and 2019 Q1 working with input from the working groups.

e. ISO/PC 308 'Chain of Custody

- ISO are developing an international standard on Chain of Custody.
 - The aim of this standard is to provide unambiguous definitions of the different Chain of Custody models and the corresponding requirements, which are independent of sectors, raw materials, products, and issues addressed.
 - The standard is not designed for certification purposes. Instead users may refer to the standard to identify which models of Chain of Custody described in the standard are allowed for in their systems, and which are not.
- ASI has successfully established 'liaison status' to the ISO standards development process.
- Council for Aluminium in Building are participating in the UK Committee.

- A public comment process is scheduled for later in 2018.

Committee Discussion:

- The IPC began work on this topic about 12 months ago.
- Clarification was given that this ISO Standard wasn't meant for certification but rather to define the terminology and models. It is unknown whether ISO has intentions to move towards a Certification standard on this topic.
- It is not unusual for ISO to issue Standards for definitional purposes, in fact most of their Standards are not for certification purposes.

3. Standards Committee 2018 Work Program Update:

a. ASI Oversight Mechanism [For Information and action]:

- Final version of ASI Oversight Mechanism has been revised and will be presented to the Board for adoption at their next meeting. The revised document captures the outcome discussed during the previous meeting including need to have required skills and competencies on:
 - certification/accreditation processes
 - discipline knowledge relevant to ASI Standards e.g. hotspot areas (e.g. Indigenous Peoples, biodiversity, etc.)
- ASI Certification Audit Report Oversight Assessment Procedure (draft 1, June 2018) and associated Form circulated for information. The Procedure is part of the ASI Oversight mechanism and describes the internal oversight assessment process carried out by the ASI Secretariat to review ASI Certification Audit Reports:
 - Audit methodology is consistent with the instructions to Auditors outlined in the ASI Assurance Manual
 - Audit scope is compatible with the Entity's Certification Scope
 - Audit conformance ratings including the Members' certification status reflects the audit methodology and scope.
- Committee requested to provide final comments/feedback so that the Procedure can be finalised and adopted.

Committee Discussion:

- One member requested that some of the items, such as specific expertise, could be written directly into the form. The Secretariat responded that is possible and added that the Secretariat is planning to add these items as checks in *elementAI* for auditors in their audit planning.
- One member asked what alternative there is when an auditor is not competent in a required area. The Secretariat responded that if an audit team doesn't have expertise in a certain area they can engage an expert in a similar way that they would engage a translator. These experts would be considered members of the audit team. There is a list of registered specialists on the ASI website, if an expert not on the ASI registered expert list is used then the qualifications of the expert would need to be provided and verified by ASI.
- One member asked for clarification regarding who - the auditor or ASI - grants certification. The Secretariat responded that ASI issues the certificate based on the recommendation of the auditor.
- One member asked what happened if ASI found problems in the audit, would they issue the certification. The Secretariat responded that it depends on the issue but that the audit must have been conducted according to the requirements of the Assurance Manual in order for certification to be issued. In certain cases, the audit may need to be re-opened in order to address gaps.
- One member requested that ASI add additional examples specifically addressing human rights due diligence, which many auditors would not be familiar with, and

offered to draft some input on this. The Secretariat agreed this would be a useful addition.

ACTION: Members to supply additional examples of checks for inclusion in the Certification Audit Report Oversight Assessment Procedure.

- b. Biodiversity and Ecosystems Working Group Update [For Information]** – Activity since the previous meeting:
- V2 of minutes circulated to WG and Committee
 - Industry group progressing with development no-go review
 - Project timeline to be prepared as soon as this work has been completed
 - Directors wished to formally recognise the progress made by the Working Group. Improved understanding of ecosystem services, and the work being undertaken by the mining companies, since they are the ones affected by changes, were noted as positive outcomes.
 - Recent discussion with Birdlife International (Asia) about TESSA & IBAT. TESSA is a new tool for ecosystem services assessments. IBAT is moving to a ‘freemium’ type model later in 2018.

Committee Discussion:

- A webinar on the IBAT program is being organised for around September and IUCN will arrange a contact and introduction for the ASI Secretariat.

- c. Human Rights Working Group Update [For Information]** – Activity since the previous meeting:

- Nomo Gaia has offered to draft a paper on how to identify a legitimate Human Rights Impact Assessment. This will be done to support implementation of ASI Performance Standard criterion 2.5 Impact Assessment.
- A webinar will also be prepared and delivered as a live session towards end of 2018 (plus recorded for future access).

Committee Discussion:

- The draft paper is being framed around existing principles and is developing a flowchart for auditors to work from. It was noted that visual representations are very valuable tools.
- The paper will be delivered to the WG over the next couple of weeks.

- d. IPAF Update [For Information]** – Activity since the previous meeting:

- Initial planning has commenced for the 2019 IPAF meeting, which will be held in India in late February.
- One day of meetings is planned in Delhi with Indian companies. Three days of meetings will be planned for the IPAF participants, followed by 2 days in the communities of Indigenous Peoples with a focus on providing training.
- Additional outreach with Ghana is underway.

Committee Discussion:

- The Secretariat noted that IPAF has highlighted the importance of community training as a critical complement to member and auditor training. Communities can then better understand what ASI expects of member companies, and what happens in an audit process in which they may be interviewed. The same principle would apply to other stakeholders such as workers.

4. AOB, and closing remarks

- a. One member raised a potential contact in Guinea that they would pass along to ASI. The Secretariat noted that Guinea is an area of significant activity for bauxite mining and some current ASI members are involved in joint ventures there. An IPAF member in Guinea has been holding local community training on ASI and has shared photos that will be added to the ASI website in a new post.
- b. The US Trafficking In Persons Report 2018 was released last week. The report is produced by the US State Department and includes an assessment of countries and their efforts to prevent forced labour using a range of metrics. The report is a useful tool for companies and auditors as part of a company's due diligence on human rights. The Report can be accessed via the following link: <https://www.state.gov/documents/organization/282798.pdf>
- c. Actions for Members and Secretariat noted above in the minutes and members reminded to provide feedback about the Monitoring & Evaluation Plan.

5. Next Committee teleconference – *21 August 2018*