

Interim Policy regarding Audits, Audit-Related Travel and Coronavirus

This Policy was adopted by the ASI Board on 6 March 2020 (V1) and updated on 23 March 2020 (V2), on 3 April 2020 (V3) and again on 1 June 2020 (V4).

1. What is the scope of this Policy?

ASI recognises that the COVID-19 (coronavirus) situation is evolving rapidly. ASI places a high priority on health and safety through the ASI Performance Standard, and likewise aims to ensure that our employees, contractors and stakeholders work and meet safely.

This interim policy, adopted by the ASI Board, clarifies the reasonable accommodations that can be made to audit plans in consideration of the current COVID-19 situation.

The policy is applicable to ASI Members and ASI Accredited Auditing Firms and is overseen by the ASI Secretariat.

2. ASI Members with an upcoming ASI Performance Standard Certification deadline – extensions

Members in the 'Production and Transformation' and 'Industrial Users' classes must achieve ASI Certification against the applicable requirements of the ASI Performance Standard for at least one Facility, Program or Product within two years of joining ASI.

In the ASI Assurance Manual (section 3.5), it is noted that in exceptional circumstances, a 6 month extension to a Member's two year deadline may be considered for 'force majeure' situations.

Where COVID-19 creates unacceptable risks or prevents travel by ASI Auditors to carry out ASI Audits, this will be considered a 'force majeure' situation.

Note that the ASI Assurance Manual requires in addition that in order for an extension to be granted by the ASI Secretariat, evidence of progress by the ASI Member on their Self Assessment will be required.

To seek an extension, ASI Members should notify the ASI Secretariat of the above issue and nominate the relevant Self Assessment ID they have been working on in *elementAI*. Questions and requests should be directed through the *elementAI* Help Desk or to info@aluminium-stewardship.org

3. ASI Members and ASI Accredited Auditing Firms with an upcoming ASI Audit scheduled soon

If the ASI Member or ASI Accredited Auditor determines that the risks of on-site auditing and/or associated travel are too high for an upcoming ASI Audit due to the COVID-19 situation, the following options may be considered:

- a) The ASI Audit can be postponed for an agreed period, until the risks can be re-assessed.
 - o This may be appropriate where it is a Certification Audit that does not relate to a membership deadline situation addressed in section 2 or is otherwise not time-critical.
- b) The on-site component of the ASI Audit can be postponed, with desktop reviews carried out where possible.
 - i. This may be relevant where an ASI Audit is seen to be time-critical, or where the non-site aspects of an ASI can be usefully progressed.
 - ii. Interim reporting of the desktop review component may be uploaded, and if appropriate, submitted to ASI through the *elementAI* Audit Report process.
 - iii. Audit Exclusions, Audit Limitations or parts of the Audit Plan not completed must be specifically noted with the 'force majeure' reasons explained.
 - iv. For a Certification Audit, the ASI Accredited Auditor could recommend Provisional Certification on the basis of the desktop review component where appropriate, with a Surveillance Audit scheduled at a later date to address the on-site component. This recommendation will be subject to review under ASI Oversight processes as to the sufficiency and materiality of the desktop component against the applicable parts of the ASI Standard.

- c) For Surveillance Audits, the ASI Audit can be carried out by desktop review where permitted under Table 11 in the ASI Assurance Manual.
 - o Where a previously identified Non-Conformance was unable to be closed by an ASI Member due to the COVID-19 situation, this should be noted.
- d) For Scope Change Audits, particularly for the Chain of Custody Standard, or for the Performance Standard where only Material Stewardship (section 4) applies, desktop reviews could replace the on-site component.
- e) For all other cases, please discuss with the ASI Secretariat.

The ASI Secretariat must be notified of any proposed or agreed changes to the planned audit cycle for an ASI Audit. Questions and notifications of timing changes for specific ASI Audits, from either ASI Members or ASI Accredited Auditors, should be done through the Help Desk in *elementAI*, referring to the relevant Self Assessment or Audit ID.

4. What components of an ASI Audit can be undertaken by desktop review?

The International Accreditation Forum (IAF) Mandatory Document MD5: 2019¹ notes that:

- *Certification Audits may include remote auditing techniques such as interactive web-based collaboration, web meetings, teleconferences and/or electronic verification of the client's processes. ... These activities shall be identified in the audit plan and the time spent on these activities may be considered as contributing to the total duration of management systems audits.*

For ASI Audits:

- The time spent on remote/desktop activities may count towards the audit on-site time outlined in section 5.8 of the ASI Assurance Manual.
- Objective evidence that can be reviewed remotely includes documentation and some testimonials. For example interviews of management, staff/workers and stakeholders may be possible and appropriate, depending on access to web-based communications (or similar) and the health of the individuals. General principles for interviewing in the ASI Assurance Manual still apply.
- Objective evidence that cannot be reviewed remotely is observation evidence. Verification of on-site implementation, process control and risk control where relevant in applicable ASI Standards cannot be audited using remote audit techniques.

Any specific questions on these guidelines should be raised through the *elementAI* Help Desk.

5. Updates to this policy

We thank all stakeholders for their commitment to ASI Certification and careful consideration of health and safety risks. Further updates to this policy may be considered in light of evolving circumstances, and communicated accordingly.

General questions should be directed to info@aluminium-stewardship.org

6. Implementation guidance at 1 June 2020

ASI remains committed to supporting efforts to assure sustainability and chain of custody performance during these difficult times. Where ASI Members or Accredited Auditors have questions, please raise these with the ASI Secretariat through the *elementAI* Help Desk or by email to info@aluminium-stewardship.org

Table 1 below, has been developed to provide further specific guidance to Members and Accredited Auditing Firms that are affected by travel and work restrictions during the COVID-19 pandemic. It sets out the various options by:

- **ASI Standard:** Performance Standard and Chain of Custody Standard
- **ASI Audit Type**
 - o A Member's first ASI Certification Audit against the ASI Performance Standard, where this meets their minimum member requirement to seek ASI Certification for least one at least one Facility, Program or Product within two years of joining ASI.

¹ <https://www.iaf.nu/upFiles/IAF%20MD5%20Issue%204%20Version%202%201112019.pdf>

- A Member's initial Certification Audits for any additional/subsequent parts of their business, but where their minimum member requirement has already been met.
- Surveillance Audits and Re-Certification Audits – for both Full Certification and Provisional Certification.
- Scope Change Audits – where additional Business, Facility, Supply Chain Activities or Product/Program(s) are added to the ASI Certification Scope.

For the Performance Standard, most Audit Types can only be partially undertaken as a remote/desktop exercise during the current COVID-19 pandemic. The Certification outcome will depend on factors as noted in Table 1, and in some cases Full or Provisional Certification may not be awarded until successful completion of the on-site component. This will not alter the current certification period. ASI Oversight processes will apply, and Provisional Certification may be deemed relevant instead of Full Certification, or even Provisional Certification may be put on hold, where one or more of (but not necessarily limited to) the following is identified by the ASI Secretariat:

- There is an insufficient number or range of criteria that have been adequately assessed during the remote audit component;
- There is a substantial number of high-risk or significantly material criteria that have not been assessed during the remote audit component;
- The overall level of objective evidence obtained and reviewed remotely by the auditor is deemed insufficient to continue or progress to a Full Certification status;
- Insufficient rigour has been applied to the auditing of one or more criteria of material significance to the Entity and its Certification Scope;
- There is insufficient sampling of businesses and/or facilities for Certification Scopes that include multiple operations.

For the Chain of Custody Standard, all audits can be undertaken as a remote/desktop exercise during the current COVID-19 pandemic.

ASI reserves the right to make a final determination as to the Entity's Certification Status based on a remote audit undertaken during the COVID-impacted audit period. Implementation of the principles and practices outlined in this Interim Policy will be carefully reviewed during the ASI Oversight process, where all submitted Audit Reports are reviewed. All Certificates issued under this Policy will include a limitations statement to be included as part of the Audit Scope. Refer to Annex 1 of this Policy for examples of an appropriate limitations statement.

*For detailed guidance relating to the auditing of each **Performance Standard** criteria based on audit type and current level of conformance for each criteria, as well as recommendations for assessing initial and updating existing maturity ratings, refer to **Annex 1** of this Policy.*

Options for each scenario are by Location of Audit:

- ✓ This component/approach may proceed if travel risks and presence on site are acceptable
- ✓ This component/approach may proceed as both safe and acceptable within the ASI Assurance Manual, given the nature of the Audit Type and Standard
- This component/approach does not fully conform with the ASI Assurance Manual, but desktop components may be undertaken as an interim step

And by Schedule:

- Each ASI Member may make an individual business decision as to an appropriate future schedule for these Audits.
- The schedule change must be discussed with the ASI Secretariat and a new date agreed in principle for these Audits; or in the case of no fixed schedule, options should be first discussed with the ASI Secretariat.
- Components of the Audit that can proceed via desktop/remote auditing should proceed, with on-site aspects postponed until the situation changes:
 - Any parts of the ASI Audit that can be carried out remotely should proceed, and an ASI Audit Report on these aspects prepared and submitted to ASI
 - Any parts of the ASI Audit that rely on on-site observation evidence should be postponed, and the limitations on the Audit as a whole noted in the ASI Audit Report submitted to ASI. Relevant limitations will be included in the 'Audit Scope' section of the published ASI Public Summary Audit Report, noting the reasons under this Interim Policy.

Table 1 – COVID-19 Contingency options for ASI Audits, at 1 June 2020

AUDIT TYPE	COVID-19 CONTINGENCY OPTIONS (as of 1 June 2020)						
	LOCATION			SCHEDULE			
	ON-SITE ONLY	MIX OF DESKTOP & ON-SITE	REMOTE/DESKTOP ONLY	AS SCHEDULED	POSTPONEMENT (<3 months)	POSTPONEMENT (>3 months)	POSTPONEMENT (past Member deadline)
Performance Standard							
First Certification Audit for Member	✓	✓	Not sufficient for Full Certification but Provisional Certification may be possible (see 3(b)iv above)	x Postpone on-site component ✓ Carry out desktop component	✓ Business decision	✓ Business decision	Discuss with ASI (<i>force majeure</i>)
Initial Certification Audit for additional Member Certifications	✓	✓	Not sufficient for Full Certification but Provisional Certification may be possible (see 3(b)iv above)	x Postpone on-site component ✓ Carry out desktop component	✓ Business decision	✓ Business decision	N/A
Initial Certification Audit for additional Member Certifications – Material Stewardship (section 4) only	✓	✓	✓ During COVID-19	✓ Business decision	✓ Business decision	✓ Business decision	N/A
Surveillance Audit or Re-Certification Audit	✓	✓	Existing Full Certification can continue (unless new major non-conformances identified through desktop review). Provisional Certification status to continue unless non-conformances from previous audit can be assessed through documentation and testimonial evidence and closed out.	x Postpone on-site component ✓ Carry out desktop component	Discuss with ASI	Discuss with ASI	N/A
Scope Change Audit	✓	✓	Usually not sufficient for Full Certification unless only covering the Material Stewardship (section 4) of the Standard. Other cases to be discussed with ASI on case by case basis.	Discuss with ASI	Discuss with ASI	Discuss with ASI	N/A
Chain of Custody Standard							
Initial Certification Audit	✓	✓	✓ During COVID-19	✓ Business decision	✓ Business decision	✓ Business decision	N/A
Surveillance Audit or Re-Certification Audit	✓	✓	✓ During COVID-19	x Postpone on-site component ✓ Carry out desktop component	Discuss with ASI	Discuss with ASI	N/A
Scope Change Audit	✓	✓	✓ During COVID-19	✓ Business decision	✓ Business decision	✓ Business decision	N/A

ANNEX 1: Assessing conformance against the ASI Performance Standard using remote methods – considerations for auditors

Application: This Annex is applicable to ASI Performance Standard audits that cannot be carried out in full on site or remotely. It does not apply to audits of the Chain of Custody (CoC) Standard, as ASI has permitted CoC audits to be carried out in full remotely during the period of applicability of this Interim Policy.

Where a remote (desktop) audit must be undertaken, there will be circumstances where:

- Not all criteria can be fully assessed remotely, for example where conformance levels cannot be adequately assessed without a visual or physical inspection of facilities and equipment on site.
- These components of the audit will need to be carried out at a later date, once access to the site is available.
- An Audit Report must be submitted following the completion of the remote component.
- A new Audit Report will be prepared (as per a standard surveillance audit) at a later date by the auditor, following completion of the on-site component. Whilst the new Audit Report will incorporate the observations and findings from the remote audit, all criteria must be assigned one of the normal conformance ratings. This applies for all audit types (i.e. initial, scope change, surveillance and re-certification). Figure 1 illustrates the sequence of reporting for COVID-19 impacted audits.

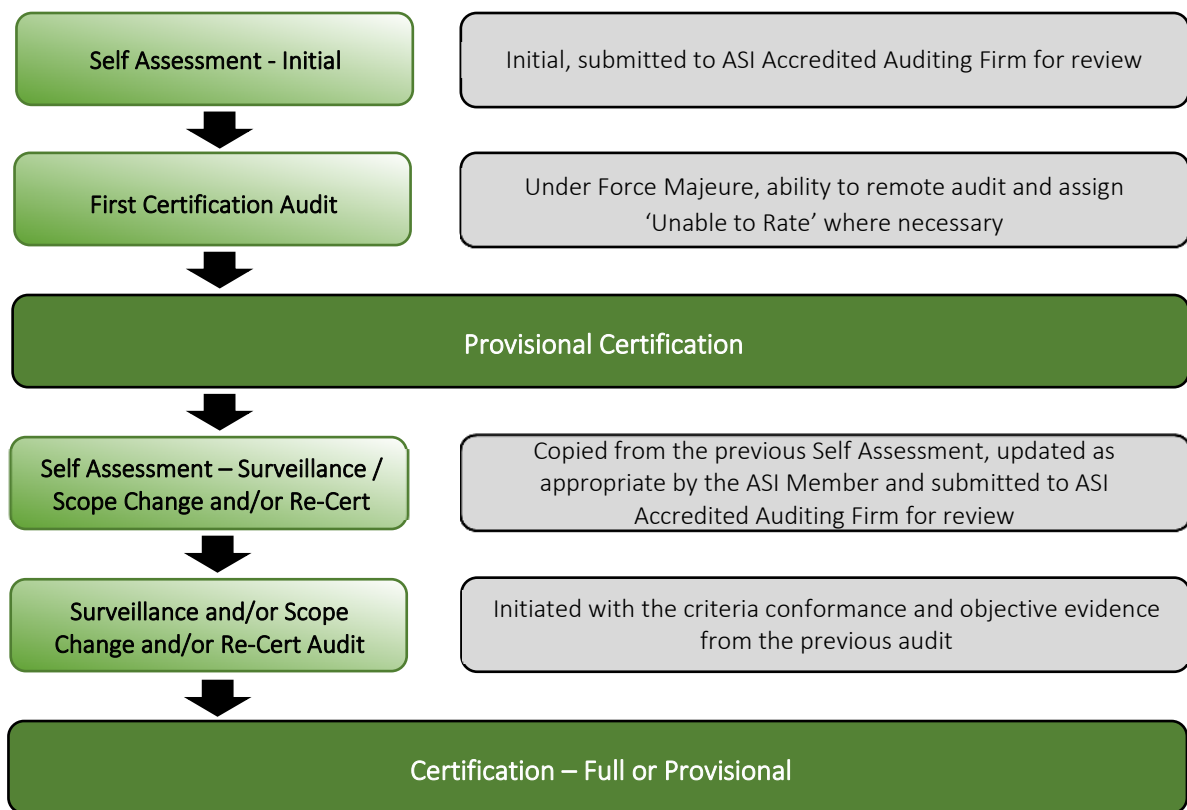


Figure 1 – Sequence of Self-Assessment/Audit Process steps under a Force Majeure scenario

Reporting

Commencing from June 1 2020, elementAI provides auditors with an 'Unable to Rate' option under a Force Majeure situation – allowing auditors to select this 'rating' when relevant evidence that they would normally be able to assess while on site is not accessible. The 'Unable to Rate' option provides the opportunity to note interim findings but temporarily hold off from a final conclusion on conformance, until such time that the full assessment of the criteria can be completed during a subsequent on-site audit component. Note that previous Non-Conformances cannot be closed out if an 'Unable to Rate' finding is entered for those criteria.

The 'Unable to Rate' option is only available for audits where the ASI Secretariat have been notified prior to the audit that a remote audit component will be undertaken initially, before following with the on-site component at a later date. If 'Unable to Rate' is selected for a specific criteria, the auditor must provide a written description in the 'Observations and Findings' section in the Detailed Audit Report that outlines the rationale and justification for the section of 'Unable to Rate'.

A Public Headline Statement must also be prepared. An example of a Public Headline Statement is provided below:

“Whilst records relating to the systems and monitoring of Spent Pot Lining management were reviewed and assessed to being up to date and in conformance with the Standard, we were unable to physically assess the SPL management facility to determine performance. We have therefore assessed this Criteria as ‘Unable to Rate’, until the SPL facility can be assessed during the on-site audit.”

Initial assessment of maturity rating (performance)

For initial certification audits where Maturity Ratings have not yet been assigned to the Entity, the auditor can assign a Maturity Rating for ‘systems’ and ‘risks’, however the Maturity Rating for ‘performance’ cannot be adequately assessed unless the on-site audit component has been completed. Therefore, for ‘performance’, the auditor can select either a ‘low’ or ‘medium’ rating, but not ‘high’. The auditor can in a future audit upgrade the rating to ‘high’, however, if the observations and findings obtained during the later on-site audit warrant this. Maturity ratings are not published.

Table 2 – Assigning a Maturity Rating (performance) for initial certification audits only

Maturity Rating (performance)	ASI recommendations
Low	If the remote audit component is restricted to the review of documentation, records, transcripts, personal communications etc.
Medium	If the remote audit component includes the review of documentation, records, transcripts, personal communications plus some visual assessment of the operations (including photographs, videos, use of webcam, ‘virtual site walkover etc.) which would assist in assessing the appropriate level of performance and operational controls on site.
High	Cannot be assigned without the on-site audit component being completed.

Table 3 – Reviewing/updating a Maturity Rating (performance) (for surveillance, scope change and re-certification)

Existing Maturity Rating (performance)	ASI recommendations
Low	No improvement to this rating can be assigned until the on-site audit component has been completed.
Medium	This rating can be continued, however must be confirmed at the end of the on-site audit component. A reduction to this rating can be made following the remote audit component, and then reviewed again following the on-site audit component. No improvement to this rating can be assigned until the on-site audit component has been completed.
High	This rating can be continued, however must be confirmed at the end of the on-site audit component. A reduction to this rating can be made following the remote audit component, and then reviewed again following the on-site audit component.

Using previously assigned maturity ratings in assessing criteria

For the purposes of a Scope Change, Surveillance or Re-certification Audit, auditors should consider the Maturity Rating (performance) previously assigned for the Entity. Auditors should also pay due consideration to both the ‘systems’ and ‘risks’ maturity rating, however the ‘performance’ Maturity Rating is the most relevant in this instance, as it is an indicator of on-site operational performance. The recommendations in Table 4 below should be also be considered when assessing specific criteria, where it has been determined that remote ‘desktop’ assessment would be considered insufficient to fully rate these criteria (Refer Table 5).

Table 4 – Using maturity ratings when assessing criteria

Maturity Rating (performance)	ASI recommendations
Low	If on-site auditing is necessary for assessing performance of a section of the Standard (as recommended in Table 5 below), then ‘Unable to Rate’ <u>must be selected</u> .
Medium	If on-site auditing is necessary for assessing performance of a section of the Standard (as recommended in Table 5 below), then ‘Unable to Rate’ <u>should be considered</u> , if there is one or more pre-existing non-conformances attained for that section of the Standard. This would be dependent on the quality and breadth of objective evidence provided by the Member to the auditor during the remote audit component.

Maturity Rating (performance)	ASI recommendations
High	If on-site auditing is necessary for assessing performance of a section of the Standard (as recommended in Table 5 below), then 'Unable to Rate' could be considered, if there is one or more pre-existing non-conformances attained for that section of the Standard. This would be dependent on the quality and breadth of objective evidence provided by the Member to the auditor during the remote audit component.

Auditors may also consider the total number of Minor Non-Conformances received in each Principle section of the Standard. If a Principle in the Standard has received multiple non-conformances, this may likely be indicative of a particular area of operational deficiency that is unable to be adequately assessed without a physical on-site inspection.

Performance Standard Criteria

The ASI Performance Standard has a mix of Principles that are both systems and operational in their intent and application. As such, some criteria may be assessed remotely through a review of documentation (e.g. policies, procedures, work instructions, management plans and records etc.), however for some criteria, on-site review of operational controls is required. Table 5 below provides guidance to auditors as to where ASI recommends that on-site review of operational controls is required before either a revision or conformation of a criteria rating can be provided.

ASI respects the auditor's professional opinion to make an informed assessment on an Entity's performance during the remote component of the audit and rate its performance accordingly. To support ASI's Oversight process, sufficient and clear rationale for the rating must be provided in the observations and findings section of the audit report.

Limitations statement

For the initial remote audit report, all auditors are required to use the existing 'Audit Limitations and/or Parts not Completed' data entry field in the elementAI audit report, which is completed in the Audit Report Plan and Methodology section of the Audit Report to provide a general overview that describes the specific limitations relating to the desktop audit. This limitations statement will be incorporated into the ASI Certificate, subject to review and editing by the ASI Secretariat for the purposes of clarity and consistency, where required.

Some examples of a Limitations Statement include:

"At the time of the audit, access to the site was not possible, due to COVID-19 related travel restrictions. The audit has been undertaken as a 'desktop' exercise, in accordance with the ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4), and included a remote review of relevant documentation. The on-site component of this audit will be completed when access to the Entity is deemed legal and safe by the Member.

"This audit was undertaken as a desktop exercise, due to site inaccessibility resulting from COVID-19 related social distancing restrictions, in accordance with the ASI Interim Policy regarding Audits, Audit-Related Travel and Coronavirus (v4). The desktop audit included a review of site policies and procedures, management plans, records and registers, as well as photos, video and selected 'webcam' footage of specific operational controls relating to high risk activities. The on-site audit has been tentatively scheduled for October 2020, subject to Governmental policy and company measures in place at the time allowing for access to site."

Continuation of the audit process on-site

The auditor will need to liaise with the Member to schedule the completion of the on-site component of the audit and develop and agree an audit plan for this. The audit plan must address all criteria assessed as 'Unable to Rate', and following completion of the on-site component, all previous 'Unable to Rate' criteria must be assigned one of the normally available conformance ratings. Criteria previously assessed as a Non-Conformance/s should also be assessed during the on-site audit, to provide the Entity an opportunity to have the criteria re-assessed in light of any new or updated work undertaken during the time between the remote and on-site.

The on-site component of the audit should ideally be undertaken within three to six months of the remote component, if it has been determined as both safe and legal by the auditor and Member to do so. ASI advises the auditor to remain in regular contact with the Member in order to stay informed on local conditions and current travel restrictions in force. If travel or visitor access restrictions are ongoing in the Entity's location or at their site, and/or the auditor has determined travel to the Entity site/s to be of an unacceptable risk, please contact the ASI Director of Assurance to discuss a possible further postponement.

	AUDIT TYPE									
	INITIAL	SURVEILLANCE			SCOPE CHANGE			RE-CERTIFICATION		
CURRENT RATING	N/A	Conformance	Minor NC	Major NC	Conformance	Minor NC	Major NC	Conformance	Minor NC	Major NC
PERFORMANCE STANDARD										
2.3 Environmental and Social Management Systems	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.4 Responsible Sourcing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.5 Impact Assessments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.6 Emergency Response Plan	✓	✓	✓	🔒	✓	✓	🔒	✓	✓	🔒
2.7 Mergers and Acquisitions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.8 Closure, Decommissioning and Divestment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<i>3 Transparency</i>										
3.1 Sustainability Reporting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.2 Non-compliance and liabilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.4 Payments to governments *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.5 Stakeholder complaints, grievances and requests	✓	✓	✓	🔒	✓	✓	🔒	✓	✓	🔒
<i>4 Material Stewardship</i>										
4.1 Environmental Life Cycle Assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.2 Product design	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.3 Aluminium Process Scrap *	✓	✓	✓	🔒	✓	✓	🔒	✓	✓	🔒
4.4 Collection, recycling of products at end-of-life *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environment										
<i>5 Greenhouse Gas Emissions</i>										
5.1 Disclosure of GHG emissions and energy use	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.2 GHG emissions reductions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.3 Aluminium Smelting *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<i>6 Emissions, Effluents and Waste</i>										
6.1 Emissions to Air	✓	✓	🔒	🕒	✓	✓	🔒	✓	🔒	🕒
6.2 Discharges to Water	✓	✓	🔒	🕒	✓	✓	🔒	✓	🔒	🕒
6.3 Assessment and management of spills & leakage	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒
6.4 Reporting of Spills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.5 Waste management and reporting	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒
6.6 Bauxite Residue *	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒
6.7 Spent Pot Lining (SPL) *	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒
6.8 Dross *	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒
<i>7 Water Stewardship</i>										
7.1 Water assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7.2 Water management	🕒	✓	🔒	🕒	✓	🔒	🕒	✓	🔒	🕒

