

ASI Management Response

Analysis of Implementation of Biodiversity Assessment and Management by ASI Certified Entities

A Report by: Stuart Anstee and Associates

Completion date: 13 August 2021

The research report can be found on ASI's website here: <https://aluminium-stewardship.org/wp-content/uploads/2021/11/ASI-Biodiversity-Standard-Review-V3.0-Final-for-Distribution.pdf>

Conclusion & Recommendations

The Performance Standard audit reports, combined with company websites and sustainability reports provide a reasonable, but by no means complete, picture of the consistency of implementation of the ASI Performance Standard Criterion 8.1, 8.2 and 8.5. The information assessed indicates that ASI Entities are implementing the key elements required by the biodiversity criteria. That is, they are assessing the biodiversity risk and materiality of their impacts and then developing Biodiversity Action Plans to mitigate those impacts. It also appears that Entities and their auditors have a sound understanding of the concept of 'area of influence' and use it actively in the risk assessment process.

A key requirement of Criterion 8.1 is to assess the risk and materiality of an Entity's impact on biodiversity. Whilst it is not mandatory to report the results of this assessment in a public forum, it seems appropriate from an ASI assurance standpoint for the audit report to detail the results of the Entity's risk assessment. A review of the audit findings for Criterion 8.1 found that documentation of an Entity's biodiversity assessment result was not universal. While it is possible to determine which Entities have low or no material impact on biodiversity, it was not possible to determine the detail and level of materiality of those Entities that were assessed as having an impact on biodiversity.

Recommendation 1: Require auditors to provide full and complete details on the outcomes of the Entity's biodiversity risk assessment results as part of the Performance Standard audit report to ASI.

It is also clear that biodiversity risk assessment undertaken by Entities has not identified biodiversity as a material issue for many Entities with downstream activities. The ASI should look at the value of lessening the focus on these Entities so that a greater focus can be applied to those Entities that do have material risks and impacts on biodiversity.

Recommendation 2: Consider implementing a process whereby Entities that have been shown to have no material impact on biodiversity as part of Criterion 8.1 be given an exemption for the other criteria in Principle 8 of the Performance Standard.

While the information available in the audit summaries and public reports and websites provided a high-level understanding of the Standards implementation, it is not able to resolve how well elements such as biodiversity target setting, and the use of the mitigation hierarchy are being used by the Entities. ASI should determine if there is a need for auditors to provide more detail in their reports on elements such as target setting and the use of the mitigation hierarchy. This will enable ASI to gain a clearer understanding as to how these elements are being used by Entities to manage biodiversity risks and impact in a way that is consistent with principle 8 of the Performance Standard.

Recommendation 3: Require auditors to provide full and complete details on biodiversity target setting and the use of the mitigation hierarchy as part of the performance standard audit report to ASI.

The review found that the communication of biodiversity outcomes through public websites and reports is limited. In addition, there appears to be a level of confusion at both the Entity and auditor level on what constitutes a biodiversity outcome. The ASI should consider clarifying its definition of biodiversity outcome. Specifically, it should consider if there is a need to differentiate between a process outcome and a performance outcome and what the preferred outcome is when working to achieve compliance with Criterion 8.2c.

Recommendation 4: The ASI should develop and provide a clear and unambiguous definition of the term biodiversity outcome to improve clarity on what constitutes conformance with criterion 8.2c

ASI Management Response

This study provides very useful insights into the consistency of implementation of Principle 8 (Biodiversity), and in particular criterion 8.1, 8.2 and 8.5, across its certified Entities. Principle 8 addresses specific topics such as biodiversity assessment, biodiversity management, alien species, “No Go” and rehabilitation. Where possible, the research analysed, by location and supply chain activity, the quality of the implementation of these criteria.

The Secretariat welcomes the recommendations from this evaluation, and they directly informed the ASI Standards Revision 2020-2022 and ASI Performance Standard Principle 8 – Biodiversity. The second draft documents went out for public consultation in January 2022. The report findings have also been discussed with the ASI Standards Committee during their 20 October 2021 meeting: <https://aluminium-stewardship.org/wp-content/uploads/2021/12/ASI-SC-Teleconference-Minutes-20Oct21.pdf>

In regards to the specific recommendations:

Recommendation 1: The Secretariat has made the decision that this recommendation was too specific to incorporate into the Assurance Manual and would be better incorporated on an ‘as required’ basis in the pre-audit assessments that ASI is now doing for the audit plan and when providing feedback to the auditor (also see recommendation 4).

Recommendation 2: The decision has been made that the ‘exemption option’ was not to be implemented at this time as ASI can not provide exemption for all of Provision 8 if criterion 8.1 was rated as Low Risk. There are other criteria in Provision 8 that should apply regardless of biodiversity risk (such as alien/weed species and rehabilitation/closure). This recommendation was therefore intentionally not enacted at this time. Entities certainly can (and ASI’s assurance systems offers) ‘not applicability’ for those directly-related criteria to 8.1 (i.e. 8.2a, b, and c).

Recommendation 3: Similar to recommendation 1, the Secretariat has made the decision that this was too specific to incorporate into the Assurance Manual and applies to high-risk sites only. However if biodiversity is flagged as a High-Risk issue in the pre-audit assessment, ASI reports to the audit team prior to the audit that detailed evidence needs to be included in the ‘Observations and Findings’ section of the audit report. The ASI Assurance team also reviews the detailed findings and looks for appropriate discussion by the auditor during the oversight assessment.

Recommendation 4: From January 2022, ASI requires a pre-audit assessment of audit plans/schedules/interviews for upstream Entities (initial Certification Audits) to better assess and clarify what is expected from Auditors when preparing and conducting the audit. The term ‘biodiversity outcome’ has been deleted from criterion 8.2c, and the ASI Performance Standard Guidance provides additional information and references to explain what is required to meet criterion 8.2c.

ASI’s auditor training modules will be updated when the revised ASI Standards are launched in May 2022, and the biodiversity component, and in particular recommendation 1 and 3, will be part of that (to be completed in early 2023).