ASI Assurance Manual

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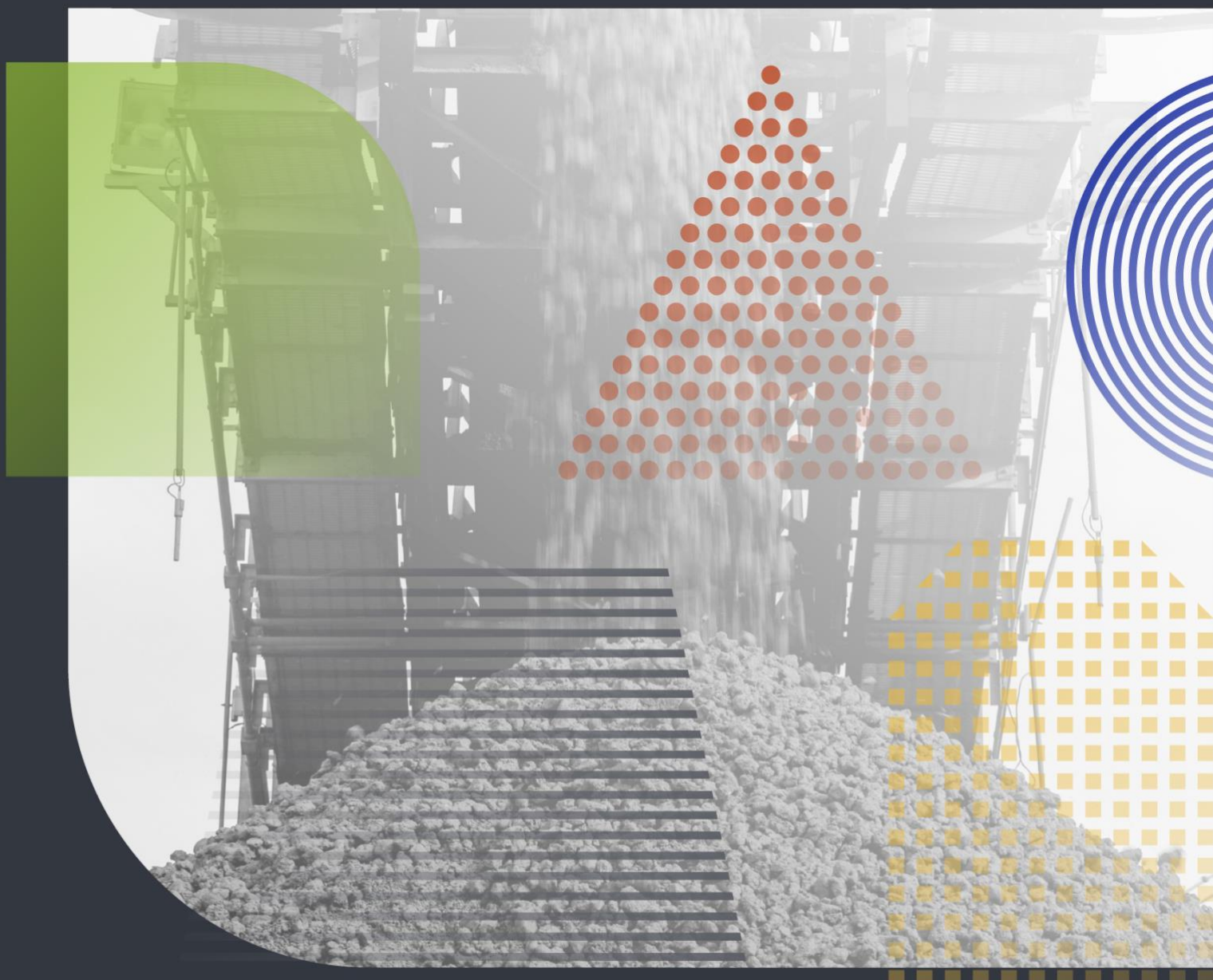

Aluminium Stewardship Initiative (ASI)

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

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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 System

ASI's assurance system has been designed to align with the principles outlined in the ISEAL Alliance Code of Good Practice: Assuring Compliance with Social and Environmental Standards (Version 2).

Drawing from the ISEAL Assurance Code, the desired outcomes from implementation of the ASI Assurance Manual are that:

- The ASI assurance system results in accurate assessments of Conformance
- Effectiveness and efficiency of the ASI assurance system are improved over time
- The ASI assurance system is accessible and adds value to ASI Members.

The ASI Theory of Change sets out the following desired impacts of the ASI assurance system, 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.

The implementation of the ASI Assurance Manual is subject to the ASI Oversight Mechanism, which is the umbrella for a range of procedures to assess, review and improve competency, accuracy, effectiveness and efficiency of the ASI assurance system.

This is Version 2.0 of the **ASI Assurance Manual**, which was approved by the ASI Standards Committee and adopted by the ASI Board on 27th April 2022.

This version of the **ASI Assurance Manual** replaces Version 1.0 and will become effective on 1st June 2022; there will be no transition period.

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 system that support ASI Certification. Specifically, this Manual gives instruction and guidance on:

- The overall process for achieving ASI Certification
- How ASI Members perform an initial Self Assessment to prepare for an ASI Audit
- How ASI Accredited Auditors conduct independent Third Party ASI 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 Audit Report Oversight Assessment Procedure
- ASI Auditor Accreditation Procedure
- ASI Auditor Competence and Assessment Procedure
- ASI Standards Benchmarking and Harmonisation Procedure.
- **ASI Chain of Custody Standard**
- **ASI Chain of Custody Standard Guidance**

- **ASI Claims Guide**
- ASI Joint Ventures Policy
- ASI Membership Information and Application Form
- ASI Monitoring and Evaluation Plan
- ASI Oversight Mechanism
- **ASI Performance Standard**
- **ASI Performance Standard Guidance**
- ASI Registered Specialist Procedure
- ASI Registered Specialist Competence and Assessment Procedure.

All capitalised common terms and acronyms are defined in the **ASI Glossary**, which is available at the ASI website.

2. Roles and Responsibilities

2.1. Overview

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

- The ASI Secretariat is responsible for the development of ASI Standards and the governance and operation of the ASI Certification process
- ASI 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
- ASI Accredited Auditing Firms are responsible for verifying whether an ASI 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 ASI 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 independent Auditors to conduct ASI Audits
- Provide Member and Auditor training and support (recognizing that all decisions on Conformance are made by ASI Accredited Auditing Firms, not ASI)
- 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 ASI Accredited Auditing Firm to conduct Audits within the applicable timeframes
- Provide ASI Accredited Auditors with access to Facilities, personnel and relevant information and records, and ensure ASI Accredited Auditors are aware of any health, safety, security or other requirements on site
- Implement Corrective Action Plans, as appropriate, to achieve and maintain Conformance and continual improvement.

2.4. ASI Accredited Auditors

The credibility of ASI's Certification program hinges on the quality and independence of ASI Accredited Auditing Firms and Accredited Auditors. The ASI Auditor Accreditation Procedure is available from the ASI website along with a list of current ASI Accredited Auditing Firms.

The roles and responsibilities of ASI Accredited Auditors in the Certification process include to:

- Conduct independent ASI Audits against the relevant ASI Standard/s
- Verify information included in the Self Assessment, including the Certification Scope (see Section 4), and determine the Entity's Overall Maturity (see Section 5)
- Identify any Non-Conformances which require Corrective Action by the Member
- Identify any potential Critical Breaches and immediately report them to the Member and the ASI Secretariat
- Recognise when Audit objectives are unattainable and report the reasons to the Member and the ASI Secretariat
- Prepare Audit Reports for the Member and the ASI Secretariat and submit these through *elementAI*
- Review Members' progress on any Corrective Action Plans, if required in subsequent ASI Audits.

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 ASI 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. It is also to be noted that all ASI Accredited Auditing Firms remain responsible for the quality of any outsourced activities.

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 joining ASI.

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**.

Members are required to demonstrate Conformance to the updated Standards (**Performance Standard V3.0** and **Chain of Custody Standard V2.0**) in all Audits conducted from 1st June 2023

onwards. Audits conducted between 1st June 2022 and 30 May 2023 may be against either version of the Standards.

Existing Certifications against 2017 version Standards may continue for their full Certification cycle, at which point the Re-Certification Audit must use 2022 Versions.

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 and the corresponding Guidance document.

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

3.3. ASI Assurance Platform, *elementAI*

ASI has developed a tailored cloud-based Assurance Platform, *elementAI*, to centrally manage the Certification process and streamline data collection.

Central management of the ASI process and data provides the following benefits:

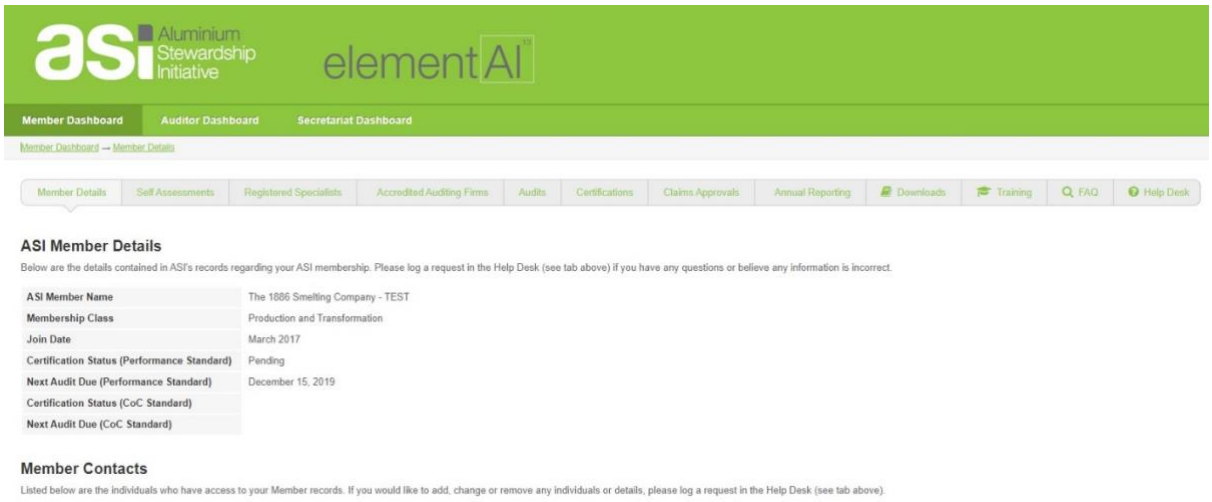
- Standardised assessment tools and processes to enhance consistency

- Enhanced Oversight of the ASI Certification process 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 *elementAI* Platform is used to manage Self Assessments and Audits for both the **Performance Standard** and **Chain of Custody Standard**. It is accessible to eligible users with access granted by the ASI Secretariat. User access is restricted to only the processes and information of the organisation which the user is associated with, plus any aggregate and anonymised data that is made available through database reporting functions. A screenshot from *elementAI's* Member Dashboard is shown in Figure 2.

Figure 2 – ASI assurance platform elementAI Member dashboard screenshot



Member access to *elementAI*'s Member Dashboard is via this link:

https://aluminium-stewardship.knack.com/asi-assurance-platform/#member-login

Access to an individual user account is available to all eligible personnel from ASI Members and ASI Accredited Auditing Firms. Once your access is approved by the ASI Secretariat, you will be sent a welcome email to your nominated email address with instructions on where you can set up your password.

On your first login, you should click "(forgot?)" next to Password. In the "Forgot Your Password?" page, enter your email address for your *elementAI* account and click "Submit". You will be sent an email to your nominated email address with a link to set up (or reset) your password. Passwords are entered by users, immediately encrypted and not stored in *elementAI* in any readable form.

The ASI Assurance Platform, *elementAI* 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 Recognised Standards and Schemes 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 such as languages spoken. This can be updated via the "Add/Edit Details" tab under the list of current Member Contacts for the organisation. To add other colleagues to the platform, let the ASI Secretariat know via the *elementAI* Help Desk. All Member account requests, changes and removals are required to be approved by the *elementAI* Contact, or if one has not been nominated, approved by the ASI Primary Contact.

The Platform's features continue to be expanded with additional functionalities and updates. We welcome feedback on *elementAI* and suggestions for improvement.

3.4. Audit Types and Frequency

There are a range of Audit Types set out in *elementAI* 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.

Table 1 – ASI Audit Types

Audit Type	Frequency	Details
First Certification Audit	Initial Audit to achieve ASI Certification.	*For Performance Standard:* • Members in the 'Production & Transformation' or 'Industrial User' membership class must achieve an ASI Certification within 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.*

Audit Type	Frequency	Details
Surveillance Audit	Within six months for Provisional Certification. Up to two Surveillance Audits (one every twelve months) following Certification / Re-Certification Audits.	Provisional Certification requires a site-based Surveillance Audit within six months of previous Audit. For full three 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 • Members in Low Overall Maturity Rating are required to have two Surveillance Audits. *See Section 5 for more information on Audit Type and Overall Maturity Rating.*
Surveillance and Scope Change Audit	As required.	This Audit type combines a change to the Certification Scope ('Scope Change') with the timing of a Surveillance Audit.
Audit - Scope Change	As required.	This Audit type enables a change to the Certification Scope ('Scope Change') outside of a scheduled Audit such as Surveillance or Re-Certification.
Audit - Complaints Mechanism	As required.	This Audit type may be triggered as an input to, or outcome of, the ASI Complaints Mechanism.
Re-Certification Audit	At end of Certification Period.	Mandatory to be able to maintain Certification (and ASI membership, where applicable).
Re-Certification Audit and Scope Change	As required.	This Audit type combines a change to the Certification Scope ('Scope Change') with the timing of a Re-Certification Audit.

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 at least one Facility, Program or Product, within two years of joining ASI. This is a condition of continued ASI membership.

In exceptional circumstances, a maximum six 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.

Audits must be fully completed prior to this deadline.

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 two years of joining ASI*).
- Where a Post-Casthouse Entity has already met their applicable ASI membership deadline for Performance Standard Certification of at least one Business, Facility or Product/Program, but now seeks Chain of Custody Certification for a different Business, Facility, and/or Product/Program:
    - The Performance Standard Certification for this Entity, Facility or Product/Program must be achieved *within one year* of the Chain of Custody Certification being granted.

- Claims regarding Chain of Custody Certification can still be made during this period.
- If Performance Standard Certification is not achieved within the applicable deadline, the Chain of Custody Certification will be suspended.
- Certification to the **Chain of Custody Standard** is possible for Entities that have not yet received ASI Certified material.

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 three 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 one 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 three-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 three year Certification Period.	Provisional Certification is limited to a one year Certification Period.	Restricted Certification Scope; No Certification; and/or disciplinary proceedings.
Surveillance Audit	Continue current three year Certification Period.	Certification Period will be commuted to a one year Provisional Certification.	Restricted Certification Scope; Suspended or revoked Certification; and/or disciplinary proceedings.
Re-Certification Audit	A further three year Certification Period.	Provisional Certification is limited to a one year Certification Period.	Restricted Certification Scope; Suspended or revoked Certification; and/or disciplinary proceedings.

Note that the one-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 External Standards and Schemes

The ASI assurance system aims to recognise external Standards and Certification Schemes wherever possible and appropriate, in order to reduce unnecessary duplication. Identification, benchmarking and review of external Standards and Certification Schemes for potential recognition by ASI is done under the ASI Standards Benchmarking and Recognition Procedure.

A list of external Standards and Certification Schemes recognised by ASI is kept below in Table 3 and in *elementAI*. The Assurance Manual will be updated on a regular basis when additional external Standards and Certification Schemes are recognised, however *elementAI* can be checked for the most up-to-date list of Recognised Standards and Certification Schemes.

Requests for evaluation of other external Standards and Certification Schemes should be sent to info@aluminium-stewardship.org.

Table 3 below summarises the external Standards and Certification Schemes which share issues and objectives with ASI Standards and which have been recognised by ASI. Auditors must determine Equivalency based on alignment between the external Standard/Certification Scheme and the ASI Certification Scope.

Where there is Equivalency the Criteria in the ASI Standards can be assessed by an Auditor as Conformant without additional review of Objective Evidence or implementation by the Auditor.

Auditors will validate claims of Equivalency made by ASI Members as follows:

- Verify that the Scope of the Recognised Standard or Certification Scheme applies to the entirety of the Member's ASI Certification Scope. If the Recognised Standard or Certification Scheme Scope is less than the ASI Certification Scope, then those parts of the Member's Business not covered by the Recognised Standard or Certification Scheme must be included in the Audit Scope (see Section 8.4);
- Auditors will review the most recent Certification/Re-Certification and Surveillance Audit Reports relating to the Recognised Standard or Certification Scheme to ensure that any identified Non-Conformances are being actioned by the Member. This must be included in the Audit Scope (see Section 8.4).

While an Auditor is not expected to evaluate Conformance for Equivalent Criteria, an Auditor may do so if there is evidence that a Non-Conformity may exist in that Criteria. For instance, if an Entity has an ISO 45001 certification at a Facility within their Certification Scope that is deemed to be Equivalent but the Auditor sees concerns with health and safety during the site visit, the Auditor may assess the Criteria that were excluded from the Audit Scope for Conformance and, if warranted, a Non-Conformance may be issued to the Entity.

If during the Certification Period, an ASI Certified Entity no longer maintains Certification with a Recognised Standard or Certification Scheme that was deemed Equivalent in an earlier Audit, then the Criteria which were not reviewed in the earlier ASI Audit must be included in the Audit Scope of the next scheduled ASI Audit.

Table 3 – Recognised External Standards and Schemes

ASI Standard	Criteria	Recognised external Standards
ASI Performance Standard	1.2 Anti-Corruption	The Entity holds current certification to: ISO 37001:2016 - Anti-bribery management systems - Requirements with guidance for use

ASI Standard	Criteria	Recognised external Standards
	2.3a Environmental and Social Management Systems	The Entity holds current certification to: ISO 14001:2015 - Environmental Management Systems: Requirements and guidance for use
	4.1a Environmental Life Cycle Assessment	The Entity holds current certification to: ISO 14001:2015 - 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
	11.1a Occupational Health and Safety (OH&S) Management System 11.2 Employee engagement on Health and Safety	The Entity holds current certification to: ISO 45001:2018 - Occupational Health and Safety Management Systems
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 37001:2016 - Anti-bribery management systems - Requirements with guidance for use

4. The Certification Scope

4.1. Why is the Certification Scope Important?

The Certification Scope is defined by the Member and sets out what parts of the Business, Facility/ies and/or Product(s)/Program(s) 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 Certification Scope

ASI offers flexibility to Members to define an appropriate Certification Scope that best suits their Business, Facilities and Products/Programs. The three 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	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.

Approach	Certification Scope	Examples	Suitable for
		total of 50 operated by a Member.	
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. When a Product/Program approach is taken the Entity must Certify all Facilities involved in the production of the Certified Product/Program.

Note that activities conducted at a corporate level and related to or supporting implementation of the Standard at a Facility level or Product/Program 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 Criterion 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.

A Member may additionally choose to certify an Associated Facility that are not one of the identified supply chain activities in Section 4.3 (i.e., a port or hydropower dam associated with a smelter).

It is hoped that over time, Members will seek to expand their Certification Scope or individual Certifications to include all Business, Facilities or Products/Programs within the Control of that Member that relate to the Aluminium value chain.

4.3. ASI Membership Classes and Supply Chain Activities

ASI membership is structured into six 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, 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

Glossary

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 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.

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.

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.

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 membership 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/Program line within two years of joining ASI.

Under Performance Standard V3, Members with Material Conversion and/or Other Manufacturing Facilities are required to certify Material Conversion and/or Other Manufacturing Facilities to at least Principles 1 – 4 (P1-4) solely for the first Certification cycle (i.e., a maximum three-year period). After three years, all Material Conversion and/or Other Manufacturing Facilities must undergo an Audit against applicable requirements of the full **Performance Standard** to continue their ASI Certification (Principles 1-11 / P1-11). This three year period must also include any time where the certification is deemed as provisional. The intention is that following the next Standard Revision all Facilities will be required to demonstrate Conformance to all applicable Criteria. Example Audit Scopes for Material Conversion and Other Manufacturing Facilities are provided in Table 5.

Transition from Principle 4 (P4) only to P1-4, and from P1-4 to P1-11, is to be initiated as a Scope Change audit and can also be combined into either a Surveillance or Re-certification audit. Once an Entity has increased its scope (i.e., from P4 to P1-4, then P1-4 to P1-11), it is unable to reduce the scope back to its earlier status. This transitional option is only available to Material Conversion and/or Other Manufacturing Facilities.

All Entities must be certified to the full Performance Standard (P1-11) without exception by 31 May 2027 (5 years after the launch of Performance Standard V3).

Table 5: Transition options for Material Conversion and/or Other Manufacturing Facilities dependent on their initial date of Certification

CERTIFICATION DATE	TRANSITION OPTIONS UNDER PERFORMANCE STANDARD V3
Certification achieved prior to 1 June 2022	• If current certification is to P4 only under Performance Standard V2 and transitioning to V3: o Next Surveillance/Scope Change Audit in current certification period can be for P4, P1-4 or P1-11.

CERTIFICATION DATE	TRANSITION OPTIONS UNDER PERFORMANCE STANDARD V3
	○ Re-certification Audit can be for either P1-4 or P1-11 (but must remain P1-11 if transition occurred during prior surveillance/scope audit). ○ Transition to P1-11 must be no later than three years from the audit (i.e., surveillance/scope change audit date) where transition to P1-4 commenced. OR • If current certification under Performance Standard V2 is to P1-11 – continue this into V3.
Facilities first certified between 1 June 2022 and 31 May 2023	• Initial certification to P4 only under Performance Standard **V2**: ○ Next Surveillance/Scope Change Audit can be for either P1-4 or P1-11. ○ Re-certification audit must be to P1-4 as a minimum or to P1-11. ○ Transition to P1-11 must be no later than three years from the audit (i.e., surveillance/scope change audit date) where transition to P1-4 commenced. OR • If current certification under Performance Standard V2 is to P1-11 – continue this into V3.
Facilities first certified between 1 June 2022 and 31 May 2024	• Initial 'transitional' certification to P1-4 under Performance Standard **V3**: ○ Next Surveillance/Scope Change Audit can be for either P1-4 or P1-11 (P1-11 recommended). ○ Re-certification audit must be to P1-11. OR • 'Full' certification to P1-11 (no transition required).
Facilities first certified from 1 June 2024	• Initial 'transitional' certification to P1-4: ○ A Surveillance and/or scope change audit must be scheduled prior to May 2027 (i.e., during the certification period) and must be to P1-11. OR • 'Full' certification to P1-11 (no transition required).

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:

- Does apply to a specific sector (for example, Criterion 5.2(a) and 5.3(b) in the **ASI Performance Standard** is applicable to Entities engaged in Aluminium Smelting); or
- Does not 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 6 – 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											
Material Conversion – Principles 1 to 4 (transition)											

Other manufacturing or sale of products containing Aluminium											

Code:

Applicable	Applicable if relevant	Not Applicable

Criteria shaded green are 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 7 – Applicability of ASI Chain of Custody Standard Criteria for the supply chain activity

Supply chain activity	1	2	3	4	5	6	7	8	9	10	11
Bauxite Mining											
Alumina Refining											
Aluminium Smelting											
Aluminium Re-Melting/Refining											
Casthouses											
Post-Casthouse											

Code:

Applicable	Applicable if relevant	Not Applicable

Criteria shaded green are 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 Chain of Custody Standard Guidance.

Note that in the **Chain of Custody 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. If a Member chooses to certify an Associated Facility (i.e., a port or hydro dam associated with a Smelter) the relevant Criteria are chosen by the Auditor.

This is particularly relevant when determining the applicability for an Entity 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 a 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 is used to determine which parts of the ASI Standard apply:

Table 8 – Examples of ASI Standard Applicability based on supply chain activity

Certification Scope Supply Chain Activities	ASI Performance Standard Application	ASI Chain of Custody Standard Application
Bauxite Mining only	All except: • Criteria 4.2, 4.3, 4.4, 6.6, 6.7 and 6.8.	All except: • Criteria 3.2 and 3.3 • Principles 4, 5 and 6 • Criteria 8.2, 8.5 and 9.3.
Casthouse with Aluminium Re-Melting/Refining	All except: • Criteria 3.3(b) and (c), 4.2, 4.4 a and b, 6.6, 6.7, 8.6(c) and 8.7.	All except: • Principles 3 and 6.
Material Conversion Principle 1-4 only audit	All of Principles 1- 4 except: • Criteria 3.3(b) and (c).	All except: • Principles 3, and 4 • Criteria 8.2 and 8.5 5.

Certification Scope Supply Chain Activities	ASI Performance Standard Application	ASI Chain of Custody Standard Application
Material Conversion Principle 1-11 audit	All except: • Criteria 3.3(b) and (c), 6.6, 6.7, 6.8, 8.6(c) and 8.7.	All except: • Criteria 8.2 and 8.5 • Principles 3, 4 and 5.
Material Conversion Principle 1-11 audit with in-house Aluminium Re-Melting/Refining	All except • Criteria 3.3(b) and c, 6.6, 6.7, 6.8, 8.6(c) and 8.7 • apply to entire Certification Scope. The following also apply to Aluminium Re-Melting / Refining activities: • Criteria 4.2, 4.4(a) and (b).	All except: • Criteria 8.2 and 8.5 • Principles 3, 4 and 5 apply to entire Certification Scope. The following also apply to Aluminium Re-Melting / Refining activities: • Criteria 8.2 and 8.5 • Principle 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.

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.

ASI recognises that there are many sizes and types of Business in the Aluminium value chain and aims to be inclusive in its membership structure and Certification program. How Joint Ventures can participate in ASI is outlined in the Joint Ventures Policy available 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 specified Performance Standard Criteria. Factors to be taken into account in determining Conformance levels would include the Entity's 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).

The Area of Influence assessed in an Audit must be disclosed in the public Summary Audit Report.

What do we mean by Area of influence?

The term has been adapted from International Finance Corporation (IFC) Performance Standard 1 – Guidance Notes and 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

(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 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 ports, dams, railways, roads, captive power plants or transmission lines, pipelines, utilities, warehouses and logistics terminals.

For (c), cumulative impacts are typically those impacts which in isolation may be considered small and/or incremental, however over times are recognised as important on the basis of scientific concerns and/or concerns from Affected Populations and Organisations, as the accrual of these small/incremental impacts leads to a significant impact/s over time.

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.

Notes:

- 'Area of Influence' is referenced in 7.1 (Water Assessment), 8.1 (Biodiversity Assessment) 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.

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 Certification Scope will be defined during the Self Assessment process in *elementAI*, the first step of the Certification process, and 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 the contact person for the Self Assessment being defined. This person can be different from the one corresponding with ASI on other general matters
- 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*:
        - 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 Certification Scope – name of Facility, location (address, city/town, and country) and supply chain activity (e.g., Bauxite Mine, Aluminium Smelter etc.)
        - Number of Workers at each Facility and in total.
        - Number of women Workers at each Facility 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 (address, city/town, and country) and supply chain activity (e.g., Bauxite Mine, Aluminium Smelter etc.)
        - Number of Workers at each Facility
        - Number of women Workers at each Facility
    - *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 (address, city/town, and country) and supply chain activity (e.g., head office: design department, factory: sustainability group, regional office: government relations).
        - Number of Workers at each Facility
        - Number of women Workers at each Facility
- Comprehensive and externally understandable description of the Certification Scope

- Recognised Standards and Schemes where Certification is already achieved for the ASI Certification Scope
- Information about any anticipated changes to the Certification Scope in the next three years. Changes may include anticipated and publicly known acquisitions or divestments, subject to commercial sensitivities. Other examples are Major Changes planned to the operation, planned Scope expansions, expected changes that affect Workers (union starting or ending, shift to a contract workforce), etc. 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 and must include at least one production Facility or Product/Program (i.e., the Certification Scope cannot be headquarters only).

Figure 3 – Business Level Certification Scope – all of Member

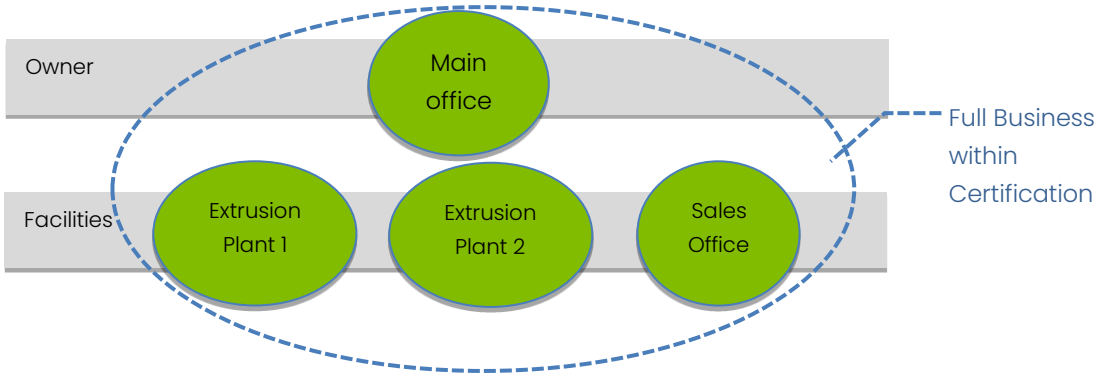


Figure 3 above illustrates a Business Level Certification Scope that encompasses all Entities and/or Facilities and Products/Programs that are under the Member's Control. It is the most comprehensive type of ASI Certification.

Figure 4 – Business Level Certification Scope – subsidiary of Member

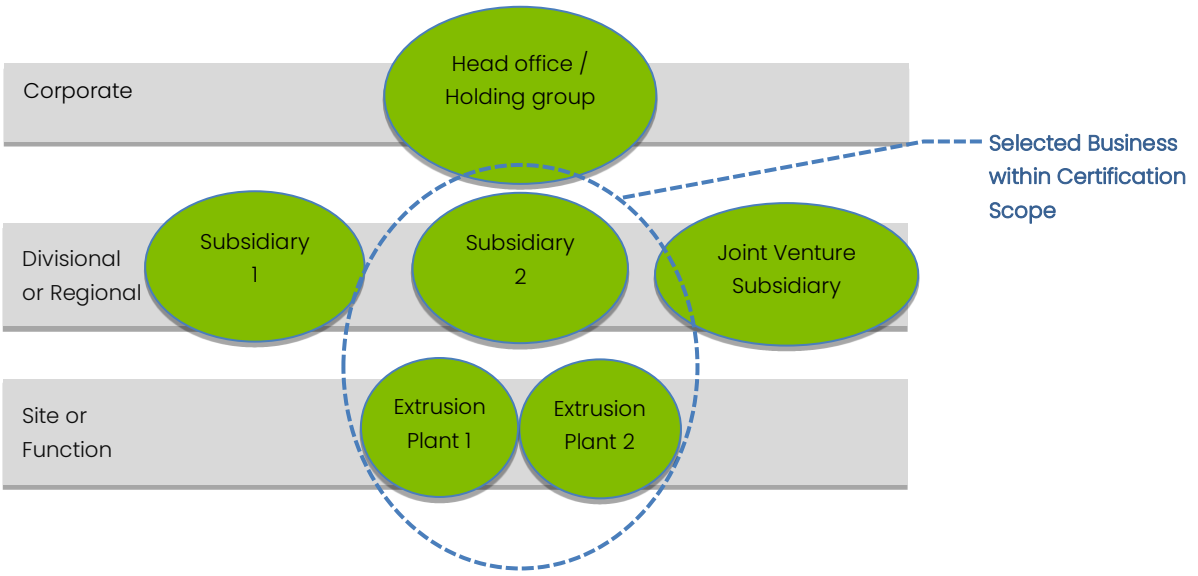


Figure 4 above illustrates another kind of Business level Certification Scope that focuses on a subsidiary or Business unit that is under the Member's Control. The subsidiary may in turn own or Control one or more Entities and/or Facilities.

Figure 5 – Facility Level Certification Scope

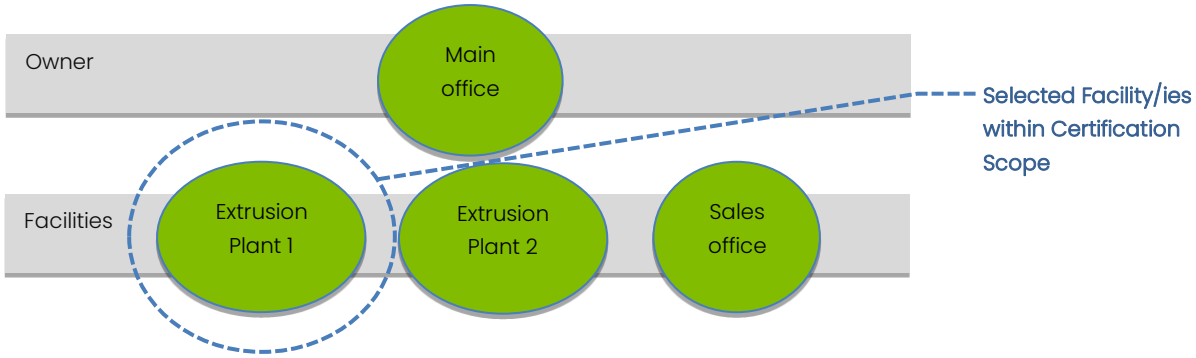


Figure 5 above illustrates a Facility Level Certification Scope. Note that while the main office or corporate headquarters may not fall within this example Certification Scope, it may be contacted or visited during the Audit to provide Objective Evidence for Conformance at the Facility level, for example 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

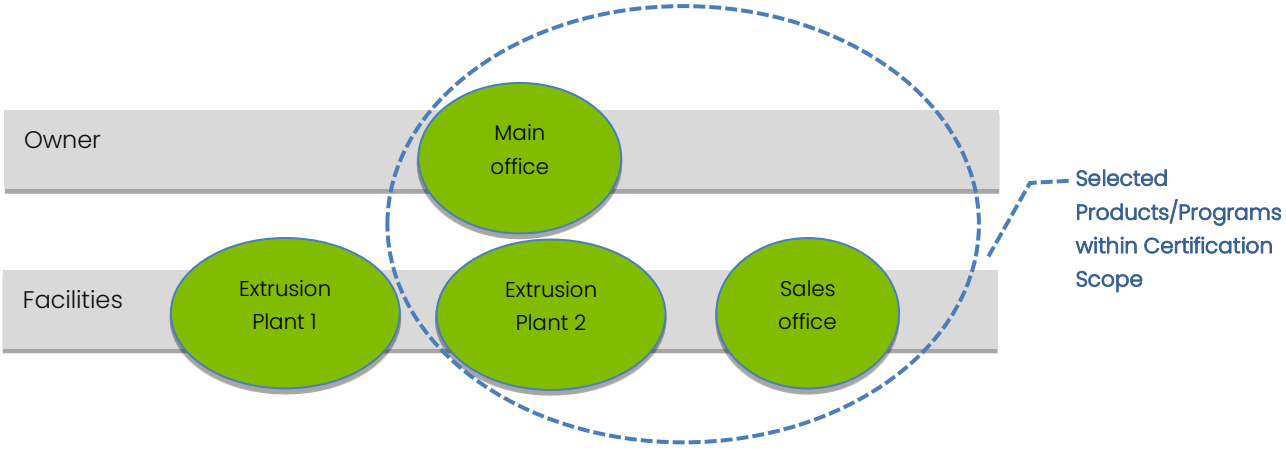


Figure 6 above illustrates a Product/Program level Certification Scope. For example, the selected Products/Programs could be a particular line of window or door extrusions where architectural specifications may have designated a preference for ASI Certification. While a number of Facilities are involved 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 Criteria 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 the Certification Scope for the ASI Performance Standard can differ from the Certification Scope for the ASI Chain of Custody Standard

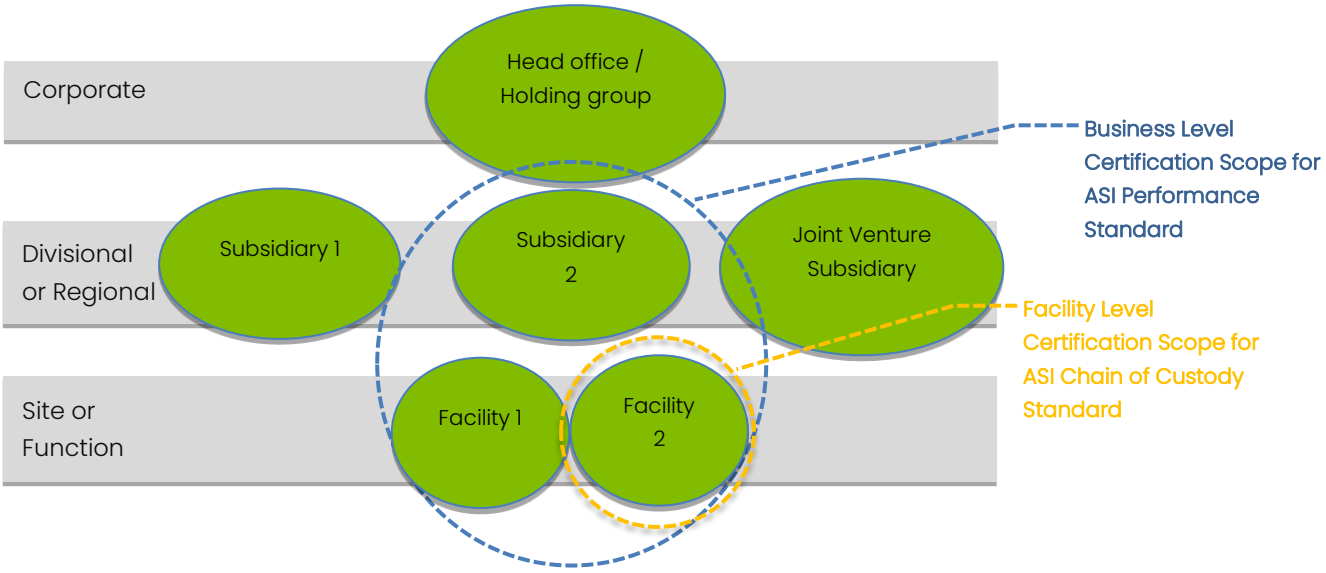


Figure 7 above illustrates an example of Certification Scopes differing for the **ASI Performance Standard** and the **ASI Chain of Custody Standard**. The Certification Scope for the **ASI Performance Standard** covers the Business level of a subsidiary of the Member. The Certification Scope for the **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 system 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 system, 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.

Auditors are expected to understand at an Entity level, the specificities and materiality of risks related to the Criterion being assessed, and based on this unique assessment, in conjunction with a review of

available and relevant objective evidence, then determine a level of Conformance. Guidance documents are available to support this pragmatic approach to Auditing, by providing examples and scenarios of how an Entity can Conform to a given Criterion.

There are potentially several ways that an Entity may meet the requirements of a specific Criterion, The Guidance documents are therefore not intended to be a "Conformance checklist". ASI expects all ASI Auditors to acknowledge and be receptive to creative, alternative and practical ways of implementing the Criteria. This is particularly the case for Small and Medium-sized Enterprises (SMEs), where processes may be less formalised than in larger organisations.

Not all examples and scenarios included in the Guidance documents are applicable to all Entity types and activities. The Guidance should be considered as a tool to support the implementation and the evaluation of criteria, and not as normative or mandatory requirements.

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 system 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 *implemented*, *understood* and *effective* at managing and controlling the key aspects of the Entity's Business Activities, Products and services

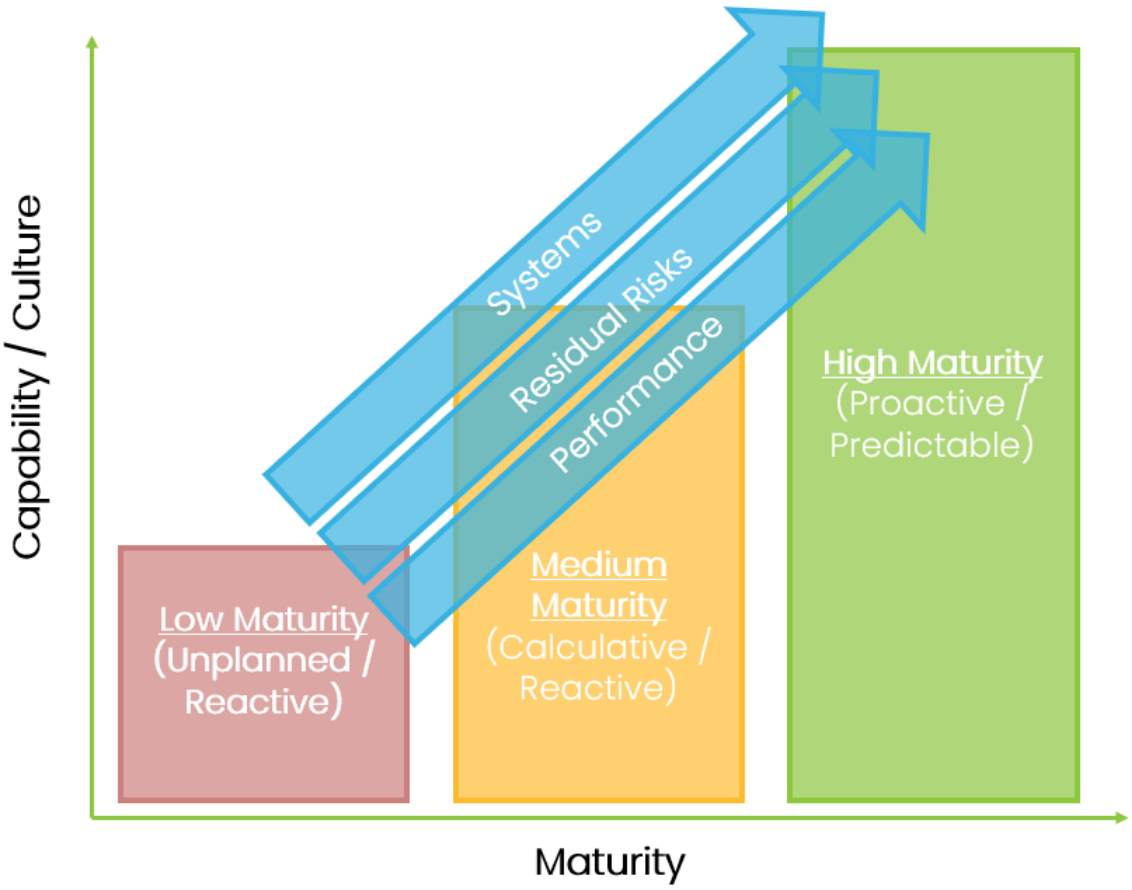
- Residual Risk – an indication of the potential impacts to the environment, Affected Populations and Organisations (internal and external) and the value chain based on the scale, nature and scope of the Entity's Business Activities, Products and services and the effectiveness of the Entity's risk identification and mitigation processes
- 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 Business Activities, Products and services.

The ratings are determined as either low, medium or high and may change over time, ideally following a continual improvement model.

As shown in Figure 8, a progression towards a state of higher maturity means:

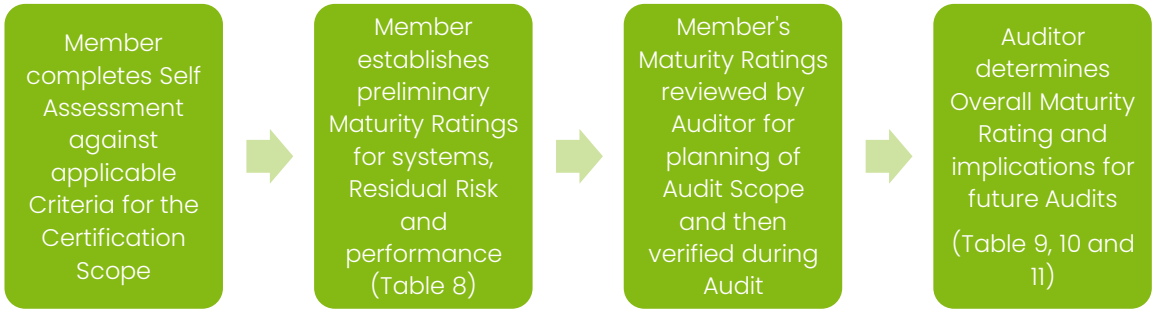
- Greater effectiveness of Management Systems
- Understanding and control of risks
- Continual improvement culture with proven performance
- Targeted, effective and less burdensome Audits.

Figure 8 – ASI Maturity Model



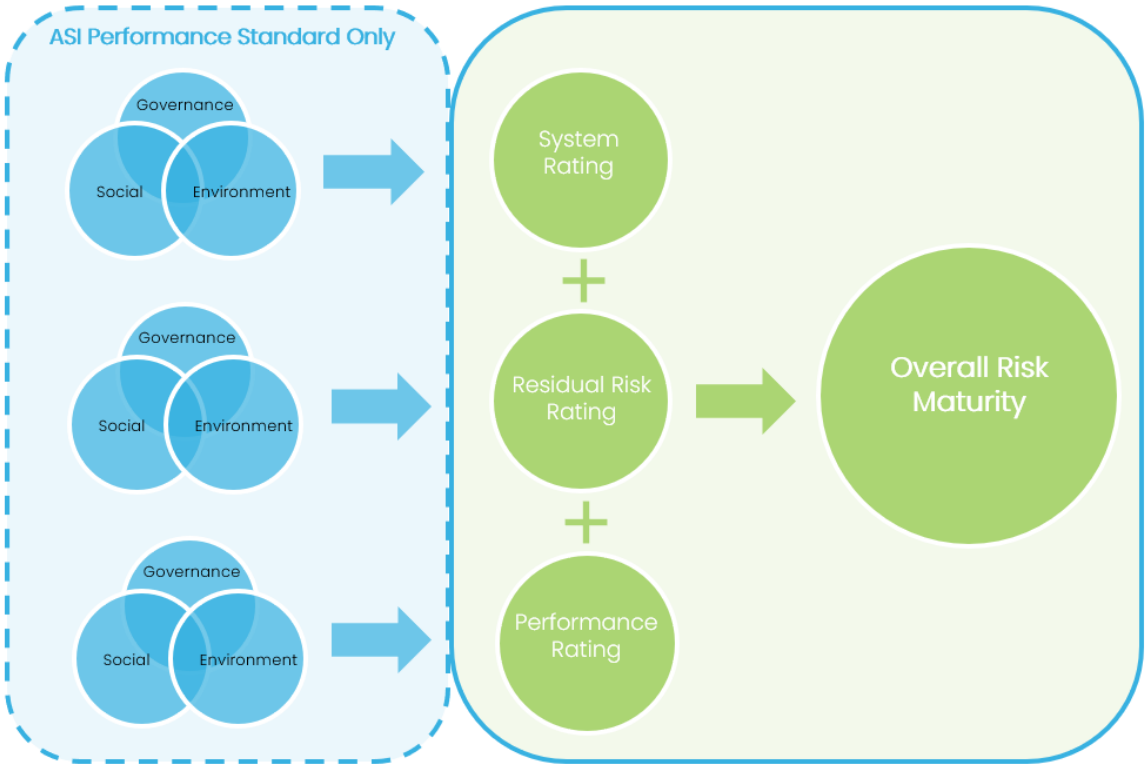
The Self Assessment and the Audit provide a process to establish, review and verify Maturity Ratings for systems, Residual Risk and performance, through *elementAI*. At the conclusion of the Certification and Re-Certification Audits, the Auditor will determine the Overall Maturity Rating. Figure 9 below illustrates the process.

Figure 9 – Establishing, Reviewing and Verifying Maturity Ratings



Maturity Ratings will be entered into *elementAI*, 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 full **ASI Performance Standard**, the user will be asked to disaggregate the Maturity Rating (low, medium or high) for each of the Maturity Categories (system, Residual Risk and performance) into the three Sustainability Components built into the ASI Performance Standard:
  - Governance
  - Environment
  - Social.
- When conducting a Self Assessment or an Audit for a Material Conversion Facility that is being audited against Principles 1-4 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, Residual Risk and performance) in the governance Sustainability Components.

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, Residual Risk and performance).

5.5. Description of Maturity Ratings with Guidance

Members will self-assess and Auditors will determine the Maturity Ratings for each of the three Maturity Categories, in accordance with the descriptors for low, medium and high provided in Table 9.

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 (governance, environment and social), as well as their application with respect to the scale, nature and scope of the Entity's Business (i.e., large global operations versus smaller Businesses).

Table 9 – Maturity Description with Guidance

Category	Level of Maturity Description per Category		
	Low	Medium	High
Systems *<u>Reminder</u>:* *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, Management 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, Management Systems relate to the systems and processes that enable the Entity to Control and account for the movement of CoC Material.
	
	The nature and complexity of Management Systems may vary based on the size, scope and nature of the Entity's Business operations. Examples which can be used to determine the systems Maturity Rating include:
	
	• Low systems Maturity Rating if:
	  ○ Working in locations known for corrupt regulatory and/or government practices without effective controls
	  ○ Conducting untested or highly speculative activities
	  ○ Operating in locations with no history of the Entity's general scope of activities
	  ○ Has no independent certification of any Management System component.		

Category	Level of Maturity Description per Category		
	Low	Medium	High

	• Medium systems Maturity Rating if:
	  ○ Working in locations known for corrupt practices but able to demonstrate effective internal systems to avoid complicit involvement in the local Corruption
	  ○ Has recently been subject to an acquisition, merger or takeover
	  ○ Operating in locations with limited history of the Entity's general scope of activities
	  ○ Has a history of occasional legal non-Compliances and receipt of fines of prosecutions.
	• High Systems Maturity Rating if:
	  ○ Has not been recently subject to an acquisition, merger or takeover
	  ○ Has one or more independent certification(s) of the Entity's Management System
	  ○ Has a history of consistent legal Compliance
	  ○ Systems have a demonstrated track record of achieving desired outcome.
	• In larger and more complex organisations, it is typical for Management 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, then 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 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 have a medium or high Maturity Rating in terms of its systems.		

Category	Level of Maturity Description per Category		
	Low	Medium	High
Residual Risk *<u>Reminder</u>:* *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 drive to risk profile reduction • Industry best practice controls • Residual Risk after risk mitigation effort is low.

	<u>Guidance notes with examples:</u>
	
	Residual 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 impacts are known, understood and mitigated by the Entity.
	
	The nature and significance of Residual 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:
	  ○ Working in locations known for corrupt regulatory and/or government practices without effective controls
	  ○ Conducting untested or highly speculative activities
	  ○ Operating in locations with no history of the Entity's general scope of activities
	  ○ Having no or insufficient risk mitigation measures in place
	• Medium Risk Maturity Rating if:
	  ○ Working in locations known for corrupt practices but able to demonstrate effective internal controls to avoid complicit involvement in the local Corruption
	  ○ Using proven practices that meet local and basic international environmental and social Standards
	  ○ Has recently been subject to an acquisition, merger or takeover		

Category	Level of Maturity Description per Category		
	Low	Medium	High
	○ Implementing basic measures to mitigate risks that may be present. • High Risk Maturity Rating if: ○ Working in stable regimes that have strong international protocols relating to environmental, social and corporate governance into regulatory framework ○ Using proven, advanced or innovative technology and processes to mitigate any risks that are present ○ Does not typically receive fines or prosecutions resulting from a legal non-Compliance. • • An Entity with mining activities that has identified, assessed and implemented controls which are actively monitored to prevent and mitigate detrimental impacts to the environment, may be assigned a high Maturity Rating in terms of the Residual Risk category. • A small Business 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 unwittingly. This is often due to limited availability of resources. In this case, the small Business may be assigned a low Maturity Rating. 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 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 Residual Risk Maturity Rating as medium or high. • A Risk Maturity Rating for an Entity implementing the ASI Chain of Custody Standard may be influenced 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	• No predictable results • Gaps in awareness of Applicable Law	• Predictable performance meeting basic industry standards • Has regulatory licence to operate • Minor regulatory breaches	• Advanced performance • Maintains 'social licence to operate' • External benchmarking of performance • Assisting with external Policy setting

Category	Level of Maturity Description per Category		
	Low	Medium	High
<u>Reminder:</u> *For the ASI Performance Standard, select a Maturity Rating (low, medium or high) for each Sustainability Component Governance, Environment and Social.*	• Evidence of regulatory Compliance breaches • History of Audit Non-Conformances under ASI or Equivalent Schemes • Non-Conformances and/or non-Compliances have potential to significantly impact personnel, environment and/or Community.	• Internal Audit programs only • Evidence of recurring Non-Conformances • Some Non-Conformance and/or non-Compliances but unlikely to significantly impact personnel, environment and Community.	• Early problem (non-Compliance, Non-Conformance, etc.) detection and correction • Technical non-Compliances (i.e., administrative issues, or late payment of fees).

For the ASI Chain of Custody Standard, only select one Rating (low, medium or high).	<u>Guidance notes with examples:</u>
	
	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 to account for the movement of CoC Material.
	
	Examples which can be used to determine the performance Maturity Rating include:
	
	• Low performance Maturity Rating if:		

Category	Level of Maturity Description per Category		
	Low	Medium	High

	• Low levels of transparency and disclosure
	  ○ Has a history of regular legal non-Compliances and receipt of fines of prosecutions
	  ○ There is no monitoring or monitoring demonstrated erratic, inconsistent or highly unexpected results
	  ○ Poor or non-existent relationship with Affected Populations and Organisations.
	• Medium performance Maturity Rating if:
	  ○ There is some transparency and disclosure
	  ○ Has a history of occasional legal non-Compliances and receipt of fines of prosecutions
	  ○ Monitoring programs demonstrate that some outcomes are achieved while others are not
	  ○ Using proven practices that meet local and basic international environmental and social standards
	  ○ Relationships with some Affected Populations and Organisations and/or relationships are weak.
	• High Performance Maturity Rating if:
	  ○ High levels of transparency and disclosure
	  ○ Has a history of consistent legal Compliance
	  ○ Monitoring programs demonstrate consistent high performance
	  ○ Using proven, advanced or innovative technology and processes
	  ○ Strong relationships with most Affected Populations and Organisations.
	• 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 Maturity Ratings provide an overview of the systems, Residual Risk and performance of the Entity within their Certification Scope, the determination of Maturity Ratings is best done at the completion of the Self Assessment or Audit evaluation. This is a reason that Maturity Ratings are presented in Public Summary Reports. In this way, it can function as a summary reflection of the individual Conformance Ratings against applicable Criteria. If an Entity has several Non-Conformances in, for instance, the environmental section of the Standard, then it should follow that the Maturity Rating for environment is low or medium.

Note that the descriptors and conditions used to determine the system, Residual Risk and performance Maturity Ratings are incorporated into *elementAI*

ASI Performance Standard Governance, Environment and Social

How do I determine the Maturity Ratings if I have different systems, Residual Risks and performance regarding the Governance, Environment and Social aspects of the ASI Performance Standard?

The ASI Assurance Platform *elementAI* will prompt Members conducting a Self Assessment and Auditors conducting an ASI Audit for the ASI Performance Standard to assign Maturity Ratings for systems, residual risks and performance in terms of the three Sustainability Components:

- Governance
- Environment
- Social

The 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 based on the combination of the individual Maturity Rating for each of the Maturity Categories (systems, Residual Risk and performance).

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

Table 10 – 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 and medium for Environment
Medium	Two or more medium ratings *or* Two high ratings and one low rating *or* One high, one medium and one low rating	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 rating	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. No, or very low risk/impacts were identified and no Non-Conformances were issued in the Audit.
- Medium Overall Maturity Rating: The Member has some Management Systems, risk controls and/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.

Determination of Overall Maturity Rating (Table 11) is based on each of the Maturity Categories:

Table 11 – 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 highs plus 1 medium = high OMR
Medium	Two or more medium ratings *or* Two high ratings and one low rating *or* One high, one medium and one low rating	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 rating	2 lows plus 1 high = low OMR

5.7. 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.

It is expected that all Audit findings are supported by documented, observational and testimonial evidence.

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 may 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 Affected Populations and Organisations are also an important source of Objective Evidence. At Facilities located within the vicinity of Indigenous Peoples and affected Communities, Auditors are required to conduct outreach and interviews with Indigenous Peoples and other Rightsholders and Stakeholders with an interest in the operation. 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. Suggested sampling techniques are listed in Appendix 1.

5.8. 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 12 – 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 twelve months
Surveillance Audit	Period since previous Certification / Re-Certification Audit depending on timing of Surveillance Audit
Re-Certification Audit	Previous 36 months for a three year Certification Period. Previous twelve months for a one 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:*	

Audit Type	Period of Records (See also Note 1 below)
• *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 years.*	

5.9. 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.

5.10. 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, documentation that can demonstrate Conformance may be fairly simple for small Businesses. Interviews also may provide 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 13 below.

Table 13 – 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.
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 • Gross error and/or complete absence of understanding of the Criterion; or • A group of related, repetitive or persistent Minor Non-Conformances indicating inadequate implementation. It may also be a situation where the Entity is in Non-Conformance with the Criterion and the situation presents a Significant Risk to Workers, the environment or the Community. Note that where a conflict arises between Applicable Law and the requirements of the ASI Standards, the Entity should comply with

	the higher standard except where this would result in a violation of Applicable Law.
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.

Note that in a Multi-Site Audit, a Non-Conformance identified at one Facility is raised for the Certificate. For instance, if a Major Non-Conformance is found for Criterion 7.1, a Major Non-Conformance at one Facility is raised in the Audit Report, even if the other Facilities are in Conformance. The extent of the Non-Conformance should be explained in the Audit Report.

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.

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 through assessing how isolated the instances are, and/or whether they are related in such a manner that indicates common root causes through a deficiency in Management Systems.

During the Provisional Certification period, a Major Non-Conformance can be closed and reissued as a Minor Non-Conformance if the Non-Conformance no longer meets the definition of a Major Non-Conformance. In this instance the Provisional Certification will be replaced with a full certification.

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 validated by Auditors.

The two main reasons for non-applicability of Criteria are:

- Where it would be illogical or impossible to apply a Criterion: 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.

Where Criterion text states 'where possible', and where the Entity has assessed that such action is not possible, the Entity should provide the Auditor with adequate reasoning for its assessment.

6.3. Critical Breaches

A potential 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 based on information available in the public domain. Potential Critical Breaches relating to both ASI Standards are set out in Table 14 below.

Identification of a potential Critical Breach during an Audit process requires Auditors to immediately notify the Member and the ASI Secretariat through *elementAI* and/or via email. When alerting ASI, the Auditor should include the following information:

- Name of the Member
- Facility, if applicable, including address
- Conditions which point to a potential Critical Breach
- Objective Evidence supporting the existence of a potential Critical Breach
- Appropriate contact person at the organisation.

The Audit process should be suspended, pending an investigation process initiated in accordance with the procedures set out in the **ASI Complaints Mechanism**. If the Member and Auditor agree to continue with the Audit, despite the pending investigation of the potential Critical Breach, the Audit findings will not be finalised until the ASI investigation is complete.

In instances where an Auditor potentially identifies illegal activity, the Policies of the ASI Accredited Auditing Firm and the contractual agreement between the Entity and the ASI Accredited Auditing Firm would apply for any further action beyond reporting to ASI.

When potential Critical Breaches are alerted to ASI, ASI will determine the process and consequence, including whether any existing certifications should be suspended or revoked during the investigation. The **ASI Complaints Mechanism** will be followed and the constructive participation of all relevant parties is expected.

Table 14 – Potential Critical Breach situations

Performance Standard	Chain of Custody Standard
Action or inaction bringing ASI into disrepute that resulted in:	Action or inaction bringing ASI into disrepute that resulted in:

Performance Standard	Chain of Custody Standard
• 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 Affected Population or Organisation. • Repeated Major Non-Conformances not satisfactorily addressed by the Entity • Serious Human Rights abuses, including of Workers, communities and/or Indigenous Peoples. • Serious environmental, social or cultural 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. • Non-conformance with performance thresholds related to GHG Emissions and World Heritage Properties "No Go".	• 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

6.4. Determining Overall Conformance and Obligations Resulting from Non-Conformances

Table 15 below sets out how overall Conformance is determined and the obligations for follow-up action when Non-Conformances are identified during an Audit.

Table 15 – 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 three-year Certification Period.	-
Minor Non-Conformance	• Entities with only Minor Non-Conformances are eligible for a three-year Certification Period, provided they prepare adequate Corrective Action Plan/s • It is expected that the implementation of any corrective action(s) required due to Minor Non-Conformances identified during the Certification Audit should have commenced as a minimum prior to the Surveillance Audit. Where an 18-24 month timeline cannot be achieved due to factors outside of the Control of the Entity (such as a legislative requirement, action or inaction of an external stakeholder, etc.) and there is no Significant Risk, the timeline for closure of a Minor Non-Conformance can be extended. Rationale for the extension must be provided in the Audit Report • 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). If the Entity has a high Maturity Rating and no Surveillance Audit is scheduled, the Auditor may schedule an Audit prior to the three-year Re-Certification Audit to review open Non-Conformances.	Auditors must verify timely implementation, closure and effectiveness of Corrective Actions at subsequent Audits. Outcomes must be reported in the Audit Report.
Major Non-Conformance	• If up to three Major Non-Conformances are found in any Audit, the Entity is eligible for a one-year Provisional certification, provided all Major Non-Conformances have been adequately addressed in a Corrective Action Plan approved by the Lead Auditor. The Corrective Action Plan (or summary thereof) should be incorporated (as an attachment) into the Audit Report. • Corrective Actions for Major Non-Conformances should, where possible, target a completion timeline of six months to one year from the date of the Audit. The Corrective Action Plan must be submitted to the Lead	In addition to follow-up actions for Minor Non-Conformances, the Lead Auditor must approve the Corrective Action Plan and record the approval in the ASI Audit Report.

Conformance Rating	Certification Outcomes and Member Obligations	Follow-up Action for Auditors
	Auditor for approval within one month of the on-site portion of the Audit. The Audit Report cannot be submitted for Oversight until the Corrective Action Plan is approved • If Major Non-Conformances are found during a Surveillance Audit, the Entity's Certification will be reduced to a one year Provisional Certification • All Provisional Certifications are expected to transition to a full Certification as soon as practicable (for the remaining amount of time in the original three-year period) and only two consecutive Provisional 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 one 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 three, ASI Certification is then suspended. • If more than three Major Non-Conformances are found in any Audit, certification will not be issued (Certification and/or Re-Certification Audits) or will be revoked (Surveillance Audits).	
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 accurately, including the identification of 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 re-occurring. A deficiency may have multiple causes, which may be one or more of the following:

- Missed or unknown legal or other 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 operational controls
- Ineffective organisational structure
- Lack of resources, time or capacity
- Other cause or unknown cause (to be noted).

Number of Non-Conformances

Q: Is it possible to issue more than one Non-Conformance for the same Criterion?

A: One or more Non-Conformances may be issued for the same Criterion 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.

Where a conflict arises between Applicable Law and the requirements of the ASI Standards, the Entity should comply with the higher standard except where this would result in a violation of Applicable Law.

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, *elementAI*, 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
  - *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.

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 Auditors cannot assist in the development of an Entity's Corrective Action Plans to address Non-Conformances against 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
- 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? Have 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:
  - Minor Non-Conformances should target completion within 18 months – two years

- Major Non-Conformances should target completion within 6 months – one year.
- *Effective*: Will the action be effective in addressing the Non-Conformance and prevent its recurrence?

ASI Auditors will evaluate the Entity's Corrective Actions established to address identified Non-Conformances along these six categories.

For all Major Non-Conformances, ASI Auditors are required to approve the related Corrective Action Plans (as described in Section 8.15) prior to the submission of the Audit Report to ASI and later verify closure of these actions (see Section 8.19).

The Corrective Action Plan (or a summary thereof) should be incorporated (as an attachment) into the *elementAI* Audit Report.

6.7. Monitoring and Evaluation Data

ASI uses data, such as the number of Non-Conformances and the number of Workers, from the Audit Reports for Monitoring and Evaluation. Following the Audit, ASI will ask CoC certified Members to annually report on Chain of Custody Criterion 1.7 data. Post Audit, ASI will also ask Certified Members to complete a Certification, which is also for Monitoring and Evaluation. Auditors are to request and review the most recent annual reports submitted to ASI under Criterion 1.7 (Chain of Custody data).and also determine whether the upcoming data reports are being prepared and/or templates are in place for future reporting.

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 Audit.

The Self Assessment is an evaluation review carried out by Members for their defined Certification Scope, to better understand their current level of 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 should:

- Document their defined Certification Scope
- Submit information on any:
  - Recognised Standards or Schemes
  - Anticipated changes to the Certification Scope such as expansions, acquisitions, divestments, etc.
- Gauge preparedness for an Audit, and improve practices in advance where required
- Identify documentation, key individuals and their contact information, including those outside the organisation that may be required for engagement by an Auditor during an Audit
- Obtain consent to share their contact information with Auditors from all individuals that may be required for interview during the Audit
- For Surveillance Audits where there are open Non-Conformances, verify that Non-Conformances are being effectively addressed
- For Certification and Re-Certification Audits, 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 internal initiatives or 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, scheduling and logistics, as required
- Liaise with the ASI Secretariat on progress, as required.

7.3. Self Assessments Through *elementAI*

The ASI assurance platform, *elementAI*, (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, *elementAI,* can also be used to plan for 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 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, 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 two years since the date of the last consultancy as this represents a conflict of interest.

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 ASI Accredited Auditing Firm 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 Workers, 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 and external Affected Populations and Organisations
- Individual and group interviews may be conducted. Interviews should be conducted with Workers (both employees and Contractors) and external Affected Populations and Organisations, including affected Communities and Indigenous Peoples
- Where external Affected Populations and Organisations may be contacted for an individual or group interview, Members should provide advance notice of the approximate timing to external Affected Populations and Organisations, and information as to the purpose and scope of the ASI Audit. Where Affected Populations and Organisations 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, the Auditor may choose to conduct some interviews in an open place
- Interviews shall be conducted in a confidential manner without the presence of management unless deemed acceptable by the 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. The individual may not wish to participate and in all cases, the individual's wishes shall be respected. However, a manager cannot prevent a willing interviewee from participating in the Audit
- Workers (both 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 Worker shall be reprimanded for their responses. If a response is factually incorrect, management shall communicate to all concerned (Workers and Auditor) of this mistake, state the correct answer and provide evidence to verify the correct information
- 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 Workers 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 3 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 Auditing Firm

When the Member deems itself ready for the Audit, and within the applicable deadline, an ASI Accredited Auditing Firm should be appointed. A list of Accredited Auditing Firms is maintained on the ASI website and is also accessible in *elementAI*.

Members are encouraged to contact several Accredited Auditing Firms to familiarise themselves with the availability and commercial terms of each. Members may wish to consider asking Accredited Auditing 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 Auditors can share relevant information with the ASI Secretariat and ASI witness auditors in their Audit Reports and during Oversight.

Once an agreement has been developed, the Member should grant the ASI Accredited Auditing Firm access to a Member's Self Assessment via *elementAI*. 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 Audit-related costs. In these situations, Auditors would generate separate reports that meet the requirements for each Standard. When auditing concurrently, the ASI Audit component must still meet the Guidance for on-site time for conducting Audits detailed in Section 8.6.

7.9. Finalising Audit Teams – ASI Accredited Audit Firms

A sufficient amount of time should be allocated between initial contact between the Member and an Accredited Auditing Firm for an ASI Audit and when the Audit actually takes place. ASI Audits should not be initiated within weeks, especially where the Audit may require the Accreditation of additional Auditors. Additionally, time must also be provided to allow for adequate review of the Audit Team and Audit Plan by the ASI Secretariat, where required (refer to Section 8.9).

An initial Auditor application is typically processed within 21 days of receipt, though this process may be longer if the ASI Secretariat is awaiting further clarification or information from the CAB and/or the individual applicant. All individual Auditors must also meet the mandatory training and assessment requirements and a written exam. Failure to pass the online assessment/s and/or written exam on the first attempt involves additional time required to schedule, complete and review a subsequent assessment and/or exam.

Ensure that the various Accreditation scopes requested in new Accreditation applications (geographical, supply chain activities, Standards etc.) are supported by clearly defined supporting documentation that expressly illustrates where the applicant has relevant auditing experience for what is requested.

7.10. Finalising Audits and Engaging External Affected Populations and Organisations

Sufficient time must also be allowed for contacting external Affected Populations and Organisations well in advance of the Audit to schedule interviews. In particular, representatives of the sample of Affected Populations and Organisations must be provided with a minimum of four weeks' notice period before any interviews are to occur.

ASI reserves the right to refuse acceptance of any Audit Reports for oversight and approval for certification, if any of the requirements relating to engaging Affected Populations and Organisations have not been met prior to the Audit.

8. Independent Third Party Audits

For ASI Certification, independent Third Party Audits are conducted by ASI Accredited Auditing Firms. 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 are required before ASI Certification can be issued. Periodic Audits are required to maintain Certification.

There are three main stages for an Audit:

- **Pre-Audit Planning**, which includes:
  1. Initial communication with the Member
  2. Commercial arrangements and confidentiality
  3. Gathering and reviewing information
  4. Defining the Audit Scope
  5. Identifying the Audit Team
  6. Estimating Audit time requirements
  7. Developing the Audit Plan
  8. Finalising details between the Auditor and the Member
- **Audit Conduct**, which includes:
  9. Opening meeting
  10. Obtaining Objective Evidence including on site as required
  11. Evaluating the results
  12. Documenting Non-Conformances
  13. Making Suggested Business Improvements
  14. Determining the timing of follow-up Audits
  15. Closing or exit meeting
- **Post-Audit Follow-up and Reporting**, which includes:
  16. Approving a Corrective Action Plan for Major Non-Conformances
  17. ASI Audit Report
  18. Summary Audit Report
  19. Issuing ASI Certification and publishing on the ASI website.

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

8.1. 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 for the Audit. The formality of such communication depends on the nature and

objectives 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
- Whether the Audit will be conducted on-site, remotely, or some combination of both
- 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 8.18).

8.2. 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 information to Third Parties. Where applicable, consideration should be given for arrangements to include Outsourcing Contractors in the Member's Certification Scope under the Chain of Custody Standard. Note that ASI's reporting requirements, including Oversight, must still be met.

8.3. Gather and Review Information

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

- The completed Member Self Assessment
- Organisational charts outlining structure, responsibilities and authorities
- Stakeholder lists, including:
    - Name
    - Contact information (address, email, phone)
    - Relationship with Member

- Description of the products and processes, including:
  - Infrastructure, Facilities and equipment
  - Work hours and shifts
  - Reports of previous Audits
  - 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
- For a CoC Audit, whether CoC Material is being input/out from the Facility (note: that a CoC Audit focusing on the systems may be completed before CoC Material is received by the Facility)
- For planning an Audit in a Force Majeure context see the **ASI COVID Policy** and contact the ASI Secretariat through the *elementAL* helpdesk. All decisions on auditing in a Force Majeure situation will be made by the ASI Board.

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. It is also important that during the pre-Audit visit the Auditors not provide advice or guidance on how an Entity can meet the requirements of the Standards as this would be a conflict of interest when the Auditors come back to Audit.

8.4. Define the Audit Scope

8.4.1. 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 Maturity Ratings for the defined Certification Scope (note that the Member's Maturity Ratings will be preliminary during the Certification Audit)
- 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
- Take into account Recognised external Standards and Schemes noted in the Member's Self Assessment for verification during the Certification Audit (see Section 3.7)
- Take into account Associated Facilities and Area of Influence

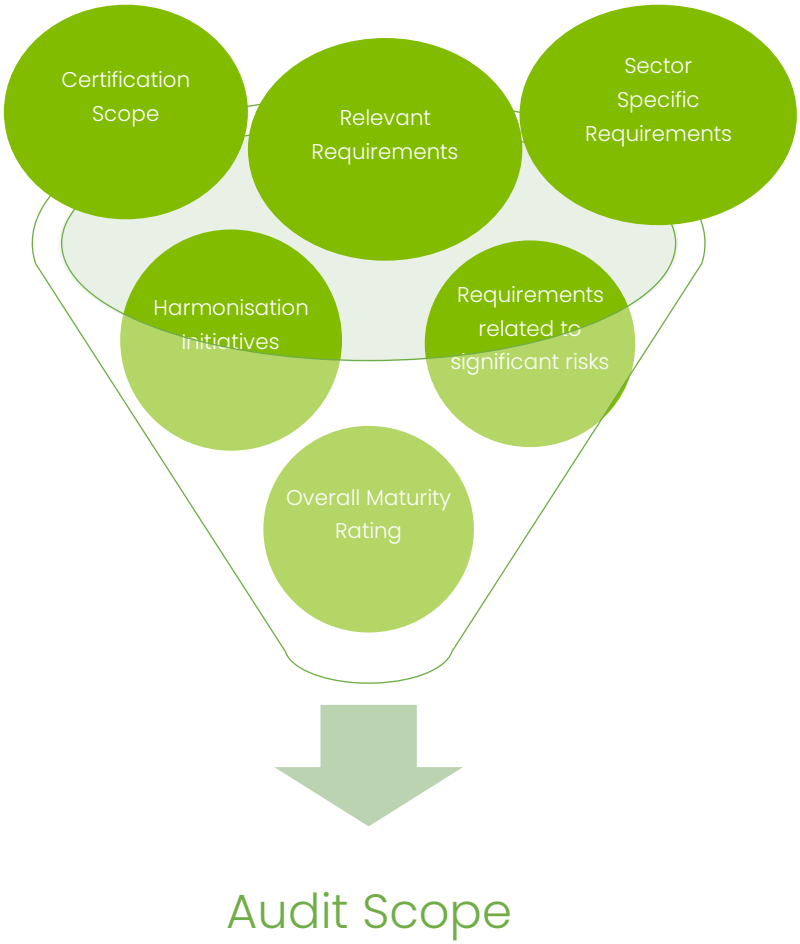
- Where Indigenous Peoples are present, take account of their expectations for the Audit process
- Fit within the recommended time limits (see Section 5.4), or as otherwise negotiated with the Member
- Obtain the necessary Objective Evidence to evaluate Conformance with the relevant ASI Standard
- Be documented in an Audit Plan detailing which Criteria are to be assessed at which Facilities.

For Certification Audits of both the Performance Standard and Chain of Custody Standard, only those Criteria Not Applicable to the Entity's supply chain activity/ies are excluded from the Certification Scope (refer to Table 8). All other Criteria MUST be included in the Audit Scope and assessed in the Audit whether or not they have been deemed by the Member and/or Auditor as Not Applicable.

If specific Criteria have been determined to be Not Applicable by the Audit Team, this is selected in the Audit Report and a short justification provided in both the 'Observations and Findings' and 'Public Headline Statement' in the Audit Report.

For Surveillance and Scope Change Audits, additional Criteria further to those already excluded based on the Entity's supply chain activity(ies) can be specifically excluded by the Auditor.

Figure 11 – Factors to consider when defining the Audit Scope



The Audit Scope may be different for Certification Audits, Surveillance Audits and Re-Certification Audits. As illustrated in Figure 11 above, 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
- Any complaints raised regarding the Certification
- Changes to the Member's Business, including organisational structure and resources.

Over time, the Audit Scope should address and focus on those parts of the Entity's Certification Scope where Maturity Ratings for each Maturity Category (systems, Residual 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.

Further, and as noted in Section 3.7, the ASI Certification program accepts Recognised Standards and Schemes. Where Equivalency as indicated in Table 3 has been verified by ASI then the Equivalent ASI requirements can be taken as Conformant without additional review by the Auditor. However, the Audit Scope must include allowance for the verification of these certifications for Recognised Standards or Schemes as follows:

- Auditors must verify that the scope of the Recognised Standard or Scheme applies to the Member's ASI Certification Scope. If the Recognised Standard or Scheme applies to less than the ASI Certification Scope, then those parts of the Member's Business not covered by the Recognised Standard or Scheme can be included in the Audit Scope (see section 8.4)
- Auditors must review the most recent certification/re-certification and surveillance audit reports relating to the Recognised Standard or Scheme 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 8.18 and 8.19).

8.4.2. 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 Facilities 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 Facility, the overriding principle to determine the number and selection of Facilities 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 Facilities listed in the Certification Scope. The Audit must remain both practical and feasible in economic and operative terms.

Ideally all Facilities 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 Facilities, 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 Facilities in an Audit Scope for eligible Multi-Site Organisations. Multi-Facility sampling 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.

In the case of Bauxite Mines, Alumina Refineries and Aluminium Smelters, due to these activities' inherent risk profiles, nature and scope of activities undertaken and the potential for significant external Affected Populations and Organisations concerns and interaction, ALL Bauxite Mines, Alumina Refineries and Aluminium Smelters should be included in the Audit Scope for initial Certification Audits for the Performance Standard.

Table 16 – Multi-Site sampling for ASI Performance Standard Audits

Number of like Facilities	Initial Certification Audit in addition to head office	Surveillance Audit	Re-Certification Audit
1	1	1	1
2	2	1	1-2
3	3	1	2
4-10	3-4	1-2	2-4
11-100	4-10	2-3	4-10
101-1000	10-32	3-8	10-32
>1000	>32	>8	>32

Table 17– Multi-Site Sampling for Performance Standard (Principles 1-4 only) and Chain of Custody Standard Audits

Number of like Facilities	Initial Certification Audit in addition to head office	Surveillance Audit	Re-Certification Audit
1	1	1	1
2	2	1	1-2
3	3	1	2
4-10	3-4	1-2	2-4
11-100	4-10	2-3	4-10
101-1000	10-32	3-8	10-32
>1000	>32	>8	>32

It is expected that central head office will normally be visited during the Audit to ensure the Management System is well understood. Tables 13 and 14 do 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 Facilities
- Variations in shift patterns and work procedures
- Complexity of the Management System and processes conducted at the Facilities
- Modifications since the last Audit
- Maturity of the Management System and knowledge of the organisation
- Social, including Human Rights, gender, environmental and Occupational 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 include 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
- For Chain of Custody Audits, sites which are receiving CoC Material.

It is expected that Facilities that pose a Significant Risk or a higher risk of Non-Conformance would be given selection priority.

Depending on the Criteria within the Audit Scope, some, or all, of the site sampling may be done remotely in a Surveillance or Re-Certification Audit, where the Entity has a high Overall Maturity Rating. The Facility selection should be completed before the Audit commences. However, it may be necessary to change the number and individual Facilities 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 Facilities 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 Facility included in the Audit Scope, all the Non-Conformances should note whether the other Facilities may be similarly affected and also require Corrective Action.

8.4.3. Selecting External Parties to Interview

- When planning the Audit and setting the Audit Scope, Affected Populations and Organisations impacted by the activities of the Facilities within the Entity's Certification Scope, should be identified for interview during the Audit. This may include (but not limited to):
- Indigenous Peoples (noting there may be more than one affected group)
- Local Communities such as residents, other Businesses or sensitive receptors

- Regulatory authorities with responsibility for governance, environment and/or social matters (e.g., health and safety authority, environmental protection authority, etc.)
- Representatives from Labour Unions, including potentially those who do not operate within the Facilities within the Certification Scope
- Social and environmental NGOs.

Auditors should strive to ensure a balance of genders in Affected Populations and Organisations sampling.

With support provided by the Member and with due consideration of the importance of data protection, invitations are to be provided by the Audit Team to a sufficient number of external parties relevant to the Audit Scope so a sufficient number of interviews are conducted such that a point where there are no new viewpoints relevant to the Audit likely to be raised. The Audit Team should have sufficient knowledge with respect to any sensitivities around existing relationships and how invitations are to be managed and acknowledge any recent communications between the Entity and Affected Populations and Organisations.

The sampling strategy for Affected Populations and Organisations may be adapted based on the Objective Evidence received over the course of an Audit. The sampling strategy should be informed by:

- The regional context in which the Entity works
- Other certifications which the Entity holds (see Table 3 on Recognised Standards and Schemes)
- The social Maturity Rating of the organisation.

Appendix 1 includes statistical sampling guidelines

For example, an Entity operating in a low-Corruption, highly regulated region with a mature social Management Systems would typically require a lesser number of Affected Population and Organisation interviews than an Entity operating in an area with endemic Corruption, insufficient regulatory enforcement and with no external certifications and immature social Management Systems.

It is important to note that whilst ASI places the onus on Auditors to make all reasonable efforts to engage external parties, participation in the Audit is at the sole discretion of each external party. It is often the case that not all parties invited to be interviewed will choose to participate. The approach used should target respondents that represent a broad viewpoint(s) of those affected by the activities and Areas of Influence of the Facility/ies within the Entity's Certification Scope, taking into account the nature and level of risk associated with the activities.

8.5. 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 and be responsible for being present on-site during the Audit (though in a Multi-Site Audit the Lead Auditor may not necessarily visit all the Facilities in the Audit Scope themselves and may designate to another team member). 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 effectively plan 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
- Geographic location of the Member's Certification Scope
- Requirement for specialist knowledge, which could include technical experts or Registered Specialists working under the direction of a Lead Auditor
- Language considerations
- Cultural considerations (such as country or regional familiarity, religion, gender, Indigenous Peoples, etc.).

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.

It is essential that, in composite, the Audit Team has the necessary knowledge set (governance, environment and social) for the Audit Scope. In particular, Audit Teams for Audits with Indigenous Peoples in the Certification Scope, or with complex social situations, must have someone competent in auditing those topics, or include a technical expert or Registered Specialist with that competency on the team.

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

All Auditors assigned to an ASI Audit Team must:

- Be suitably qualified
- Be ASI Accredited and trained (including having passed the ASI Auditors exam) in accordance with the **ASI Auditor Competence and Assessment Procedure**
- 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.

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.

8.5.1. Identifying and Engaging Auditor Personnel in Countries or Regions with No Existing ASI Accredited Auditors

In countries where there is no pre-existing ASI Accredited Auditing Firm geographical coverage, and therefore no ASI Accredited Auditors to operate in that country (or countries), a Member can engage one or more Conformity Assessment Bodies (CAB) and auditor personnel, who are currently not ASI accredited, but may be in a situation both geographically and with their previous auditing experience to undertake ASI Audits. Any non-ASI accredited audit firm and associated audit personnel (either as an employee or contractor) MUST both become ASI-accredited (as per the steps outlined in this procedure) before any ASI audit activity is to commence. The Member should approach either an existing ASI Accredited Auditing Firm or other CAB where it may have a prior auditing relationship to determine whether it has appropriate candidates for ASI Accreditation – noting in particular their supply chain activity experience, language competencies and appropriate in-country experience.

Subject to approval from the ASI Secretariat, in-country local support personnel can be used to support Lead Auditor with local language, cultural and legislative context, however the Lead Auditor must also be able to demonstrate appropriate in-country experience. Schedule 4 of the ASI Auditor Accreditation Procedure provides a decision-making flowchart to guide Members through this selection and approval process.

8.6. Estimate Audit Time Requirements

Guidance for the on-site time for Certification Audits is provided in Tables 18 and 19 below. This guidance in Table 18 is 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. For example, the applicable Audit Scope of the ASI Standard (Table 18), specific situations (Table 19) and the Overall Maturity Rating for the Entity (Table 11) will also be relevant.

Note that for the first Certification Audit, an Overall Maturity Rating will not have been determined in advance, however Auditors may use the self-assessed Maturity Rating when planning the Audit in terms of areas to focus on and interviews to conduct.

Table 18– Guidance to estimate the on-site time (person days) for Certification Audits

Number of Personnel working in all Facilities included in the Certification Scope [1]	Performance Standard: Entire Standard	Performance Standard: Principles 1-4 only	Chain of Custody Standard
1-25	1.5-2.5	1.0-1.5	0.5-1.0
26-100	2.5-3.5	1.5-2.0	1.0-1.5
101-500	3.5-5.0	2.0-2.5	1.5-2.0
501-1000	5.0-8.0	2.5-3.0	1.5-2.0
1001-5000	8.0-10.0	3.0-3.5	2.0-3.0
5001-10000	10.0-15.0	3.0-4.0	2.0-3.0
>10000	>15.0	3.0-4.0	3.0-4.0

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

Minimum additional time to be added to the Performance Standard Certification Audits on-site time in the situations outlined in Table 19.

Table 19 – Situations requiring additional on-site time (person days) for Certification Audits

Situation	Specific Detail	Additional on-site time (days)
Interviews with external Stakeholders	Indigenous Peoples	0.25 – 1.0
	Affected Populations and Organisations, regulatory authorities and/or external labour representatives	0.25 – 0.75
Human Rights Considerations	Conflict-Affected or High-Risk Areas (see Performance Standard Guidance for Criterion 9.8)	0.25 – 0.5
	Regions of high gender inequality (a rating of medium – high or N/A at https://www.genderindex.org/country-profiles/)	0.25 – 0.5
	Area of moderate - high risk of modern slavery (https://www.globalslaveryindex.org/2018/data/maps/#prevalence or https://www.responsiblesourcingtool.org/visualizerisk)	0.25 – 0.5
Governance	Moderate – high Corruption area (https://www.transparency.org)	0.25 – 0.5
Biodiversity	Situations where IUCN vulnerable or endangered red list species/ecosystems or sacred sites are present, where Protected Areas or a biodiversity hotspot are adjacent to the Facility. (www.ibat-alliance.org)	0.25 – 0.5

Note: this table denotes when additional time should be planned for Audits under certain situations. However, the reverse does not apply where those situations do not arise. For example, in situations of good gender equality, these time periods should not be deducted and Criteria related to gender must still be included in the Audit Scope. However, where Indigenous Peoples are not present, the relevant Criteria are Not Applicable, but this time period does not need to be deducted from the original time estimate. Auditor discretion should be used in applying the additional on-site time guidelines in Table 16. For instance, in a situation where an Auditor is simply calling one local authority

applying the additional time in the 'Interviews with external Stakeholders' row would not be necessary.

The actual planned on-site time will vary based on factors including:

- The number and nature of Facilities in the Audit Scope (see Section 8.4.2)
- The Objective Evidence sampling regime required to achieve the Audit objectives (see Appendix 1 section 4.3and 8.4.2)
- The number of Criteria that are already addressed by a Recognised Standard or Scheme
- The Criteria that are in Scope for the Audit (see Section 4.3 for applicable Criteria by supply chain activity)
- For Chain of Custody Audits, whether the Facilities are receiving CoC Material or whether the Audit is verifying systems only.

For Surveillance Audits, the frequency and intensity are related to the Overall Maturity Rating for the defined Certification Scope and the applicable Criteria. Guidance is provided in the Table 20 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 20 – Guidance to estimate the on-site time (person days) for Surveillance Audits

Surveillance Audit				
Number of Personnel working in Facilities included in the Certification Scope [1]	Low Overall Maturity Rating	Medium Overall Maturity Rating	High Overall Maturity Rating	For Audits of Performance Standard: Material Stewardship Criteria only
1-25	1.5-2.5	1.0-2.0	1.0	0.5-1.0
26-100	2.5-3.5	2.0-3.0	2.0	1.0-1.5
101-500	3.5-5.0	3.0-4.0	3.0	1.5-2.0
501-1000	5.0-8.0	4.0-6.0	5.0	1.5-3.0
1001-5000	8.0-10.0	6.0-8.0	5.0-6.0	3.0-4.0
5001-10000	10.0-15.0	8.0-10.0	6.0-8.0	4.0-5.0

>10000	>15.0	10.0-15.0	8.0-10.0	5.0-10.0

[1]*Note: the number of part-time Workers (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 the total time required by an Audit is around double the time spent on-site at a Member's premises (refer to Tables 15, 16 and 17). If many Criteria are being evaluated remotely then off-site time will accordingly be higher and the total time required for the Audit should be consistently double the values in Tables 15, 16 and 17 whether the Audit is conducted on-site or off-site. In general, 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

For Scope Change Audits, the guidance provided in Table 20 should be considered and be based on the Overall Maturity Rating held by the current Certification Scope. For example, if four Facilities are added to an existing Performance Standard Certification Scope, where the total number of employees is 3,000 (across those four Facilities) and the current Certification Scope is rated as of medium maturity, then the level of Audit effort should be approximately six to seven days across those four Facilities.

Audit cost is a direct function of the time required and the rates charged by the Auditor. Rates vary based on specific market factors 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 Recognised Standards and Schemes (see Section 3.7). Members can therefore consider scheduling ASI Audits alongside Audits for Recognised Standards and Schemes, which may potentially reduce overall ASI Audit costs. Note that ASI's Audit objectives must still be met.

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 Audit timetable is presented as a table format which presents expected times for activities being scheduled. An example template Audit Plan is presented in Appendix 4. Most ASI Accredited Auditing Firms are likely to have their own pre-existing template, which would typically 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, Workers (both employees and/or Contractors), the nominated ASI Co-ordinator and Affected Populations and Organisations
- Personnel or functional roles to be interviewed. The number of individuals required for interviewing will vary based on the total number of Workers, 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, but ensure that a sequence of Objective Evidence is obtained to facilitate assessment 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. Review of Audit Plans by ASI Secretariat

Audit Plans for all Certification Audits involving those Entities containing one or more of the supply chain activities of Bauxite Mining, Alumina Refining or Aluminium Smelting must be submitted to the ASI Secretariat for review and approval no later than six (6) weeks prior to the proposed audit commencement date.

The objective of this independent review is to ensure that the Audit will be undertaken by ASI Accredited Auditor personnel that have the necessary auditing experience specifically applicable to the Entity and its risk profile, and to ensure that an appropriate level of effort and engagement (internal and external) will be undertaken during the audit. The Audit requirements to be assessed are consistent with the requirements as described throughout the ASI Assurance Manual. This review will assess the appropriateness of the Audit Plan for the following:

- The Audit Team have appropriately identified and assessed the key risks for the Entity, including those specific situations as described in Table 19 in Section 8.6
- Appropriate level of effort has been proposed based on the size and scale of the Entity
- The Audit Team is specifically accredited to the location and supply chain activities relevant to the Entity
- Appropriate stakeholders (internal and external) have been identified and interviews have been planned (in conjunction with the Member).

The ASI Secretariat will use a standard checklist proforma for this assessment and will return to the Audit Team with recommendations and/or approval no later than four weeks of the proposed audit commencement date. In some circumstances, ASI may wish to review a modified Audit Plan, subject to any major issues identified during the Audit Plan review.

For further information, refer to Section 5 the **ASI Audit Report Oversight Assessment Procedure**.

8.10. 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).

8.11. Obtaining Objective Evidence

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 Workers and Affected Populations and Organisations to determine whether the Member's practices conform to the requirements of the applicable ASI Standard. The fundamental objective of gathering Objective Evidence is that different Auditors working independently from one another should be able to reach similar conclusions in similar circumstances.

Where an Audit is conducted remotely the Auditor should make an assessment of how interviews with Workers and Affected Populations and Organisations may be impacted if conducted remotely. Particular attention should be paid to impacts women and those identified as disadvantaged or Vulnerable or At-Risk.

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.

8.11.1. Affected Populations and Organisations

In most cases, a full **ASI Performance Standard** Audit would incorporate the sampling of Affected Populations and Organisations as part of the verification of Conformance (see Section 8.4.3).

When interviewing Affected Populations and Organisations the Auditor shall inform the interviewee:

- About ASI and the Criteria addressed as part of the interview
- The relationship between ASI, the Auditor and the Entity
- What the potential outcomes of the Audit are
- That comments may be received confidentially
- That concerns can be raised to ASI about the Audit outcomes via the Complaints Mechanism available on the ASI website.

Auditors should strive to ensure there is a gender balance in the sample of individuals interviewed and should apply a gender lens in the approach to conducting interviews (i.e., conducting interviews individually or in groups; having interviews conducted by female Auditors) and in context (i.e., addressing gender-related risks).

Auditors should also consider (where relevant) other marginalised and Vulnerable groups in its approach to interviews.

Where there are Indigenous Peoples (and their lands and territories) that may have been impacted by activities of Facilities within the Entity's Certification Scope (Are of Influence), the Audit Team must firstly identify which Indigenous Peoples may be impacted. Multiple sources should be consulted, including, but not limited to:

- Any national and/or regional associations of Indigenous Peoples for that country
- Government websites
- The Entity.

It should be noted that it is possible in some regions that there is more than one group of Indigenous Peoples potentially impacted.

Where Indigenous Peoples are identified as being potentially impacted, every effort shall be made to contact the Indigenous Peoples in advance of the Audit to establish an in-person meeting. The Audit Team shall contact the Indigenous Peoples, using multiple means (email, phone, mail as required), at least four weeks in advance of on-site Audit to attempt to establish an in-person meeting. The Audit Team shall include an Auditor or technical expert with expertise in Indigenous Peoples in the country.

In accordance with the protocols of the Indigenous Peoples, when meeting with Indigenous Peoples Auditors shall attempt to meet with:

- Leadership (elder, leader, council)
- The representative(s) which have worked with the Entity, if any
- Representatives of the Community, including youth and elders, men and women, where needed, and especially where Free, Prior and Informed Consent is within the Audit Scope
- National and/or regional bodies, where they exist (e.g. The Public Prosecutor's Office in Brazil).

In all sampling for testimonial evidence (including Workers) Auditors should strive to sample a balance of women and men.

Auditors should seek from Entities assurance that Affected Populations and Organisations are not at risk of reprisals as a result of participation in the Audit or provision of testimonial evidence. Interviewees should be made aware of ASI's Complaints Mechanism and Governance Handbook prior to interview.

8.11.2. Conducting Engagement with Community Members

The purpose of interviewing community members is to make evaluations about Criteria pertinent to those populations. Auditors use community engagement to triangulate the Policy documentation produced by the company with the lived experiences of the company.

Auditors start by asking: "What is the issue under review?" If it's Community Engagement (Criterion 9.7, ASI Performance Standard), then the document it triangulates is the Community Engagement Plan (Criterion 9.7(b), ASI Performance Standard). Based on the content of the plan, Auditors develop questions to evaluate whether community members are aware of the plan, helped to develop the plan, experience changes that result from implementation of the plan, and have opportunities to amend and alter the plan.

8.12. 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 observations and findings of each Audit Team member are collected and integrated, to determine the level of Conformance with each Criterion evaluated by the Audit Plan. Typically, this is undertaken 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. Observations and findings can be organised to determine whether there are common findings that, when viewed as a group, may have greater significance than they do individually.

8.13. Documenting 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 8.16 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.

8.14. Making Suggested Business Improvements

Based on their experience Auditors may offer Suggested Business Improvements about practices which conform to ASI Standards but could be conducted differently or more efficiently.

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 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.

8.15. Determining the Timing of Follow-Up Audits

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 self-assessed Overall Maturity Rating has no implication for the Certification Audit. Following the Certification Audit, the Overall Maturity Rating will have direct implications for the frequency, intensity and Audit Scope of future Surveillance and Re-Certification Audits.

Table 21 below provides guidance on the nature, type and duration of Audits based on the Overall Maturity Rating.

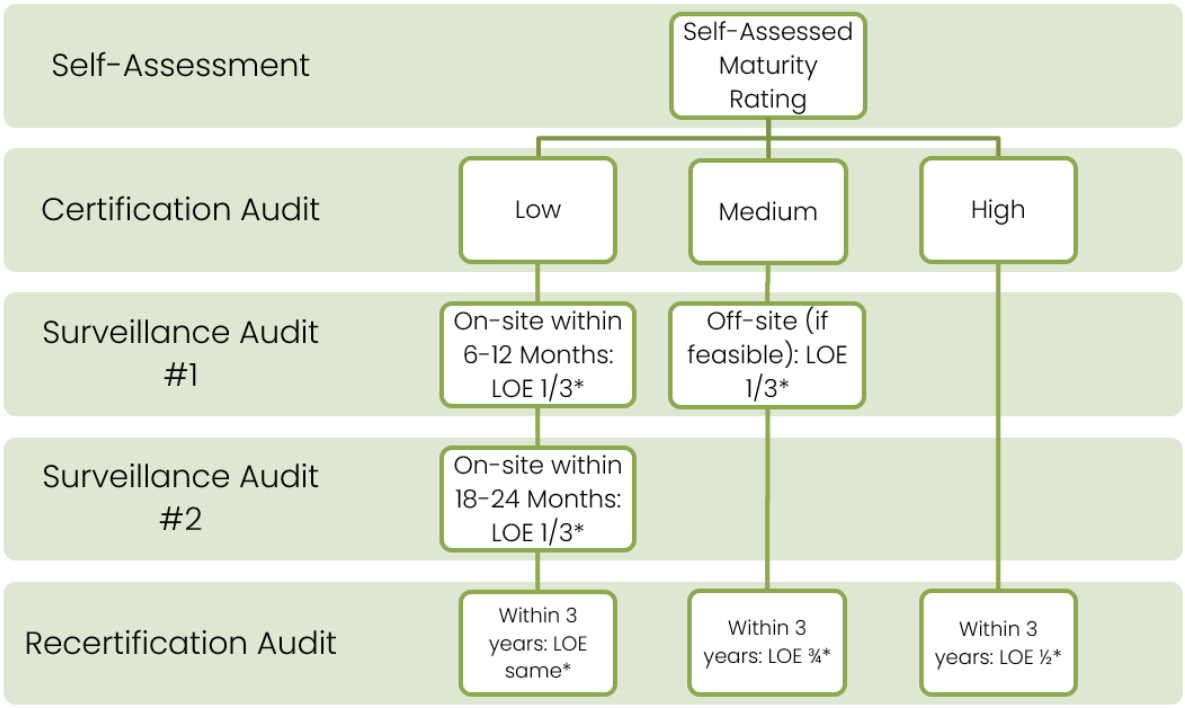
Table 21– Impact of Overall Maturity Rating

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 six months of previous 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 Re-Certification) 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 Re-Certification) Audit	Site Audit ≈ 1/3 time duration for Certification Audit if Certification Scope unchanged.		

Audit	Frequency	Low Overall Maturity Rating	Medium Overall Maturity Rating	High Overall Maturity Rating
Re-Certification	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.

The pathways given in Table 21 are given below in Figure 12.

Figure 12 - Audit Pathways dependent on Overall Maturity Rating



Note that within the guidelines prescribed in Table 18 the exact date of a Surveillance Audit may be set according to several variables, including:

- The nature of Non-Conformances issued during the previous Audit
- Potential expansions of the Certification Scope
- Coordination with another Audit (i.e., an ASI Chain of Custody Audit or an Audit being conducted by the same ASI Accredited Auditing Firm of a different Standard at the same Facilities).

8.16. 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.

8.17. 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, the Corrective Action Plans must be approved by the Lead Auditor prior to the finalisation of the Audit Report and the Member is to be issued Provisional Certification.

When approving a Corrective Action Plan, the Lead Auditor must take into account and verify that the Entity has taken the following factors into account when establishing 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 one-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 led 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.

The Corrective Action Plan (or a summary thereof) should be incorporated (as an attachment) into the *elementA*l Audit Report.

8.18. 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 *elementAI*, 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.

Auditors must complete the Audit Reporting Requirements in *elementAI* and have the Audit Report reviewed by the Member. It is an expectation that all required information be entered into *elementAI* and the review completed by the Member within a maximum of eight weeks from the date of the on-site portion 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 identified through the Oversight process have been resolved.

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

- Meet the minimum mandatory content set out in Section 8.19, 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 who do not wish to remain anonymous
- Detailed references about documents reviewed

- Specific nature of the activities observed
- Other information as agreed.

8.19. ASI Audit Reports – Minimum Mandatory Content

The ASI Assurance Platform, *elementAI*, will be used to collect and centralise all the relevant data for an Audit Report to be generated. Table 22 below sets out the minimum mandatory content for ASI Audit Reports, and which therefore must be uploaded into *elementAI* by Auditors.

All information provided to ASI Accredited Auditors in the course of an Audit is treated in a strictly confidential manner. Only the audited party and the ASI Secretariat are entitled to a copy of the complete Audit Report from the ASI Accredited Auditor and each shall treat the contents as being strictly confidential. A Summary Audit Report containing non-confidential information shall be published by ASI on its website to ensure that the Audit procedure operates in a transparent manner.

Table 22 – 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 in *elementAI*. 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 Criterion can be automatically compiled through *elementAI*.
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.
Description of Business, Facility and/or Product/Programs	For each Business, Facility and/or Product/Programs: a. Country and Province/State b. Nearest city/township/village

Report Section – Heading	Content
	c. Size of Business, Facility and/or Product/Programs (area of management) (ha) d. Number of Workers e. Brief description of primary activities undertaken on site f. Type of saleable product(s) g. Annual production of saleable product(s) h. Commencement of operation (year) i. Key physical features of the site (e.g., number of pot lines, size and number of residue storage areas, plants and process lines, warehouses, fabrication and packaging area, retail facilities etc.) j. Other ancillary infrastructure on site (e.g., on site power stations, port facilities, access roads, offices airstrip, worker accommodation, car parking, warehouses and laydown areas etc.) k. Nearest sensitive receptor(s) to the site (e.g., residential area, school, culturally significant site, rivers and streams, nature reserves and other biodiversity features) l. Primary destination of products (e.g., Aluminium door and window frames for the European residential market OR aluminium ingots and billets for export to Asian and North American fabricators OR products for direct retailing) m. Key external stakeholders (e.g., Government/regulatory agencies, community groups, Indigenous Peoples, nearby residents etc.) n. Current construction, upgrade, expansion or decommissioning activities. This list has been prepared in alignment to the key project attributes typically presented in World Bank Environmental and Social Impact Assessments (ESIA).
Certification Scope (as reported by the Member and verified by the Auditor)	Includes: a. Designated approach to ASI Certification Scope • Business level, or • Facility level, or • Product/Program level. b. A clear and comprehensive description of the Member's Certification Scope (see Section 4.6) c. Number of Workers (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.

Report Section – Heading	Content
	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 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 (including details on the specific role(s) each Audit Team member had in the Audit). 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. Audit effort with a rational for any deviations from the Guidance in Section 8.6, if required c. Any limitations or parts of the Audit Plan that could not be completed d. The level of cooperation by the Member during the Audit process e. 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. f. 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 g. Sampling methodology and strategy for engagement with Affected Populations and Organisations h. Number of parties contacted and interviewed (stratified by interest – Workers, Indigenous Peoples, Community members, etc.) i. Confirm that Entity Controls the Business, Facilities and/or Products or Projects in the Certification Scope j. The names and affiliations of technical experts and/or translators.

Report Section – Heading	Content
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. A description of the Area of Influence for the relevant Criteria f. Critical Breaches with related Objective Evidence g. Noteworthy achievements (if relevant) h. Suggested Business Improvements (if relevant) i. Summary and scope of Recognised Standards and Schemes (as noted in Table 3) including status of Non-Conformances for these Schemes and initiatives where they relate to ASI Standards j. Status of implementation, closure and effectiveness of Corrective Actions from previous Non-Conformances k. Summary of the Member's related internal audit programs l. 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 and Affected Populations and Organisations interviewed • Gender disaggregation of interviewees • 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 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.

Report Section – Heading	Content
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.

8.20. Summary Audit Reports

The detailed Audit Report is only accessible to the Audit Team, the audited Member and ASI. As part of the ASI Certification, a Public Summary Audit Report is published every time a Certification is issued. The Summary Audit Report includes, amongst other information, the Conformance findings for each Criterion, supported by Public Headline Statements, which are summaries of the Auditor's findings and evidence reviewed.

Public Headline Statements are intended for all interested stakeholders, which could include customers, suppliers, competitors, NGOs, etc. They should be clear, concise, but nonetheless sufficiently detailed summaries, to ensure outside stakeholders have a clear understanding as to why and how an Entity meets, or does not meet, each requirement of the Standard, without disclosing any confidential or personal information. This is central to the transparency and integrity of the ASI system for all stakeholders.

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

- Name of the Member
- Name of the Entity
- ASI Standard
- Certification number
- ASI Accredited Auditing Firm
- Certification Scope including description of main supply chain activities and/or Products, and location of Facilities (by country)
- A description of the Area of Influence for the relevant Criteria
- Audit type(s) (i.e. initial Certification Audit, Surveillance Audit, Scope Change Audit, Re-Certification Audit)
- Sampling methodology and strategy for engagement with Affected Populations and Organisations
- Number of parties contacted and interviewed (stratified by interest – Workers, Indigenous Peoples, Community members, social NGOs, environmental NGOs etc.- and gender)

- Certification Status and the corresponding Certification Period including date of issue and expiry date
- Schedule (approximate) for Surveillance/Re-Certification Audits
- Audit Scope
- Statement of Conformance
- A link to all information which is publicly available, including a page or section number in large documents
- Summary of changes since the initial issue version (e.g., Audit Scope changes, updated findings during follow-up Surveillance Audits, etc)
- Overall Maturity Ratings.

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 publicly disclose their Audit Report (as per Section 8.18) in accordance with their internal processes for public disclosure *and* in accordance with the **ASI Claims Guide**.

8.21. Issuing ASI Certification and Publishing on the ASI Website

On receipt of an Audit Report from an Auditor, the ASI Secretariat will undertake an Oversight process before issuing ASI Certification. This process includes the following steps:

- Confirm the competency of the Auditor(s) against the ASI 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
- Perform a review of the findings contained in the Audit Report, with a focus on those Criteria with a greater level of materiality (as relevant)
- Review the adequacy of the Public Headline Statements contained in the Audit Report
- Issue formal documentation and information to the Member, including:
    - A unique Certification number
    - **The ASI Claims Guide.**
- Record the Member's Certification Status on the ASI website including the Member's Summary Audit Report (see Section 8.20).

The ASI Oversight review will generally be conducted within ten business days of receiving an Audit Report. If changes are required by the Auditor and/or Member as a result of the Oversight review, subsequent reviews will be completed within two weeks of receipt of the revised report.

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

Reports must be submitted for Oversight, otherwise a re-verification of the Audit findings may be required.

The Auditor will share the Public Summary Report with Indigenous Peoples in the Scope and with the Indigenous Peoples Advisory Forum (IPAF). Extracts of additional detailed data presented in the detailed Audit Report may be available to Indigenous Peoples and IPAF upon request, subject to approval of both the ASI Secretariat and the Member.

9. ASI Oversight, Support and Administration

9.1. ASI Oversight Mechanism

The ASI Secretariat performs a number of processes designed to oversee and support the integrity and credibility of its assurance system. These include maintaining public information on Certification Status via the ASI website, reviewing Audit Reports for consistency with this Assurance Manual, implementing procedures for ASI Accreditation and Oversight, and providing training and support.

Witness audits are part of the ASI 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 (IPAF) may have input into the involvement of Indigenous Peoples and/or Indigenous rights experts in these processes.

9.2. 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.

There is also a strong reliance on ASI 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.

ASI Accredited 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 ASI Accreditation status or a Member's Certification (see Section 11).

9.3. 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 **ASI 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.

9.4. 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 two years of joining

- Surveillance Audits during a Certification Period
- Re-Certification pending expiry of the current Certification Period.

9.5. 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, *elementAI*, 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.

9.6. Training and Support

The ASI Secretariat will facilitate web-based delivery of information resources and training to all Members and 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 an ASI Accredited Auditors' Accreditation Scope.

10.2. Certification Scope Changes

The Certification Scope may change if there are alterations 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 Re-Certification Audit. The ASI Assurance Platform can be used for this purpose.

If a Member wishes to add Entities, Facilities or Products/Programs to its existing Certification Scope during the current Certification Period, an Audit will be required for each additional element (i.e., Facility) included as a Scope Change Audit. If more than one element is included in the same scope change, then each element (Facility/site) must be incorporated into the Audit Scope. 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 six months of the acquisition, thereby committing to comply with ASI membership obligations and the ASI Complaints Mechanism. ASI requires written approval from both parties (i.e., seller and purchaser of the Entity) each providing approval for the transfer of the Certification(s) and all accompanying Audit-related information, including Self Assessment and Audit Reports. Once this approval is received, the ASI Secretariat will re-issue the Certificate(s).

Following transfer of Certification(s) from the former Member owner of the Entity to the new Member owner of the Entity, all Certifications will be issued as a Provisional Certification until successful completion of a Surveillance Audit, where subject to satisfactory completion of the Audit (i.e., no Major Non-Conformance) it will revert to a full Certification.

In this instance however, the existing Certification period and Certificate numbers do not change.

A Surveillance Audit of the Certified Business, Facility and/or Product/Program must be conducted as already scheduled, or within twelve 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 six months of the acquisition, or a Surveillance Audit is not completed within twelve 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 month of the transaction date, or ideally in advance wherever possible, so that the ASI website can be updated accordingly.

Where divestments of Certified Entity/ies by an ASI Member result in the membership requirement of at least one Entity certified to the ASI Performance Standard no longer being met, the Member must address this.

The Member will be given two years from the date of the divestment to again certify at least one Entity to the ASI Performance Standard.

10.4. Member Changes the ASI Accredited Auditing Firm to Conduct Certification Audits

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

- An Entity with Provisional Certification Status must use the same Accredited Auditing Firm until all Major Non-Conformances have been closed, wherever possible

- Members must provide Auditors with copies of previous Audit Reports when changing to a new Accredited Auditing Firm.

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, ASI Accredited Auditing Firms and ASI 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 ASI Accredited Auditing Firms/Auditors. Disciplinary proceedings for Members or ASI Accredited Auditing Firms/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 Resolution Mechanism
- ASI Certification not complete or renewed by the applicable deadline
- Critical Breaches identified by an Auditor or ASI
- 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
- Bringing ASI into serious disrepute.

11.3. Disciplinary Procedures

Procedures for disciplinary proceedings against Members and Auditors are presented in the ASI Complaints Mechanism and Constitution. If the outcome from the proceedings involves 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 being completed 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: 2019, Determination of Audit Time of Quality, Environmental, and Occupational Health and Safety Management Systems.

ISEAL Alliance, Code of Good Practice for Assuring Compliance with Social and Environmental Standards (the Assurance Code) V2, February 2018.

ISEAL Alliance, Code of Good Practice Assessing the Impacts of Social and Environmental Standards (the Impacts Code) V2, December2014.

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

ISO 17021: 2015. Conformity assessment – requirements for bodies providing audit and certification of management systems.

ISO/IEC 17065:2018 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, 2019.

Appendix 1 – Sampling Techniques

The process of collecting Objective Evidence involves sampling documentation and records, interviewing a representative selection of Workers and Affected Populations and Organisations, 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 are 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, Affected Populations and Organisations and Workers. Time constraints prevent the Auditor from examining every document and interviewing every Affected Population and Organisation and Worker. 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 Conformance 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 Workers 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 Affected Populations and Organisations, which shall include Indigenous Peoples if they are present, 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 twelve months of monitoring records), the Auditor may select all records generated 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 Workers, 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 n^{th} segment of the population is analysed. As in random sampling, every item must have an equal chance of being chosen, so the first item selected in interval sampling must be at random. The sampling interval is normally determined by 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 four, nine, thirteen, 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 Appendix 1 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.

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.

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 23 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 23 – 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 24 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 24 – 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.

Appendix 2 – 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 Workers be informed of this process in advance. Where it is not a legal requirement, it is nevertheless recommended that Workers 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 an 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 3 – On-Site versus Off-Site Auditing

The time spent on remote/desktop activities may count towards the Audit on-site time outlined in Section 8.6 of the **ASI Assurance Manual**.

- Objective Evidence that can be reviewed remotely includes documentation and some testimonials. For example, interviews of management, Workers and Affected Populations and Organisations 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.

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.

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.

Glossary

The Glossary has been moved to the ASI Glossary global document.

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