

# ASI Standards Committee

Teleconference Minutes

13 April 2022

# Antitrust Compliance Policy

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*Attendees are kindly reminded that ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted a Competition Policy, compliance with which is a condition of continued ASI participation.*

*Failure to abide by these laws can have extremely serious consequences for ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals.*

*You are therefore asked to have due regard to this Policy today and in respect of all other ASI activities.*



# Acknowledgement of Indigenous People

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*ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our members operate. We aim to respect cultural heritage, customs and beliefs of all Indigenous people and we pay our respects to elders past, present and emerging.*



# ASI Ways of Working

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*ASI is a multi- stakeholder organisation. Dialogue is at the heart of everything we do. It is critical to ensure that the organisation delivers on its mission. We welcome all participants and value the diversity of backgrounds, views and opinions represented in this meeting. We recognise that we have different opinions; that is the heart of healthy debate and leads to better outcomes. To ensure our meetings are successful, we need to express our views and hear the views of others in a respectful and professional way, protecting the dignity and safety of all participants and enabling full participation from all attendees.*

# Agenda

	Topic		Time	Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions	5	Chairs – Kendyl & Rosa
2	Update on ASI Standards revision process and next steps		20	ASI - Chris
3	Standards Committee recommendation to ASI Board (27 April 2022)		15	Chair - Rosa
4	Post-Board Meeting Committee debrief – timing of call		5	ASI - Chris
5	Provisional Certification of Entities using desk-based audit processes: - Risks to ASI - Role for Standards Committee - Next steps		30	Chair - Kendyl
6	ACTIONS and close			Chairs – Kendyl & Rosa

# 1a,b Welcome, Introduction & Apologies

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**Chair:** Kendyl Salcito (Nomogaia), Rosa Garcia Piñeiro (Alcoa)

**Attendees** (<https://aluminium-stewardship.org/about-asi/asi-standards-committee/>):

Alexander Leutwiler (Nestlé Nespresso S.A.), Andy Doran (Novelis), Annemarie Goedmakers (Chimbo Foundation), Anthony Tufour (Arconic), Gesa Jauck (TRIMET), Hugo Rainey (WCS), José Rubio (FFI), Jostein Søreide (Hydro), Marcel Pfitzer (Mercedes-Benz Group AG), Nadine Schaufelberger (Ronal AG), Neill Wilkins (IHRB), Nicholas Barla (CBCI – IPAF), Stefan Rohrmus (Schüco), Tina Björnestål (Tetra Pak)

**ASI Secretariat** (<https://aluminium-stewardship.org/about-asi/asi-team/>):

Cameron Jones, Chinelo Etiaba, Chris Bayliss, Ghaidaa Kotb, Klaudia Michalska, Laura Brunello, Marieke van der Mijn, Mark Annandale, Michael Guo, Natalie Sharp, Penda Diallo

**Apologies:**

Catherine Athènes (Constellium)

**Proxies:** Gesa Jauck for Catherine Athènes

# 1c Objectives

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1. Adopt minutes of the previous meeting
2. Recommendation of revised ASI Standards and supporting documents to ASI Board for adoption.

# 1d Documents Circulated

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1. ASI SC Teleconference 16Apr22
2. v1 DRAFT ASI SC Teleconference Minutes 23Mar22
3. Disclosure of Conflicts of Interest/Duty
4. ASI - SCMemberApptProxyForm 13Apr22
5. ASI –SCMemberAlternateForm 13Apr22
6. CLOSED - NOT FOR PUBLIC 2nd Public Consultation log 05-04-2022
7. ASI Performance Standard V3.0 LEGAL DRAFT
8. ASI Chain of Custody Standard V2.0 LEGAL DRAFT
9. <https://drive.google.com/drive/folders/1ZsmjPq5uD40AOLLAyT7Ev2z4NP5eltsn>
  - Guidance docs; Assurance Manual, Glossary, Claims Guide (and copies of Standards)
  - Linked due to size



# 1e,f Previous Minutes & Conflicts of Interest/Duty

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e) Approval of Previous meeting minutes draft: 23 March 2022 will be published on the ASI website.

**Minutes of 23 March 2022 were approved by the Standards Committee**

e) Conflicts of Interest/Duty

*Disclosure sent with meeting package*

# 1g Log of Actions

Meeting where Action was Identified	Assigned To	Action	Date Due
24Mar2021	Secretariat	Ensure that there is time to be dedicated to discussing the Theory of Change and M&E program post-revision.	Post-revision
15Sep2021	Secretariat	Include 2020 AECOM Impartiality Review as agenda item for discussion.	Early 2022
15Sep2021	Secretariat	'Horizon Issues' (from the ASI August Newsletter) to be put on the agenda and ASI will present the origin and context of this piece of work.	Early 2022
01Dec2021	Secretariat	Circulate non-exhaustive list of topics for post-consultation consideration	Jan 2022 - CLOSED
Raised 02Mar2022 Board endorsed 07Mar2022	Committee	Review & report to Board how the Ukraine conflict is covered in ASI Standards, and how conflict zones are treated more broadly, in particular with respect to Assurance processes.	Post-revision

## 2 Update on revision process & next steps

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- POST-CONSULTATION:
  - All logged items (>1000) **closed** or slated for **post revision** (32/491 second round);
  - Final log to be **published** on ASI website in coming weeks;
  - Standards Committee decisions since February **actioned**;
  - Tidy up and proof-read **undertaken**;
  - Drafts **sent to legal** on 29 March with 12 April deadline:
    - *“I confirm that I have reviewed the amended documents and have no comments on the changes.”*
  - Since sent to legal, further **tidying of text** (this is the redline you see on the shared documents).
  - Laura Brunello, Klaudia Michalska, et al.

## 2 Update on revision process & next steps

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- ONGOING & IN PROGRESS;
  - Over the past 12 months, training modules developed and new *educationAI* platform **prepared** (GHG, gender, HRDD, HRIA, CoC, calibration for auditors – old vs new standards)
    - Launch with Standards
    - Ongoing modules development (complaints mechanisms, modern slavery FPIC, biodiversity);
    - Camille Le Dornat, Ghaidaa Kotb, et al.
  - Re-formatting of documents to meet look and feel of new website **under way**;
    - Thad Mermer, Max Karklins, Billy Cheung et al
  - Integration of new Standards and Guidance in *elementAI* and mapping to existing Criteria **has begun**;
    - Carolyn Muscat, Tianyi Ou, et al
  - Translation (initially FR and CN in June, other ASI languages to follow Q3) **to begin** when text is FINAL (post-Board adoption).
    - Laura Brunello, Sprina Liu

## 2 Update on revision process & next steps

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- NEXT STEPS:
  - Today: Standards Committee **recommendation** to ASI Board;
  - 14 April: Papers to ASI Board for 27 April meeting **decision** on adoption;
  - Pending SC decision and Board adoption, **launch** of Standards and supporting material as published documents (EN), and on *elementAI* (self-assessment and audit functionality from day one) mid May, at same time as revamped *educationAI* platform.

# Status and Effective Date (Standards)

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“This is [Version 2.0 of the **ASI Chain of Custody Standard**/Version 3.0 of the **ASI Performance Standard**], which was approved by the ASI Standards Committee and adopted as an ASI Standard by the ASI Board on [27<sup>th</sup> April 2022].

Members are required to demonstrate Conformance to [Version 2.0 of the **ASI Chain of Custody Standard**/Version 3.0 of the **ASI Performance Standard**] in all Audits conducted from 1<sup>st</sup> June 2023. Audits conducted between 1<sup>st</sup> June 2022 and 31<sup>st</sup> May 2023 may be against either version of the Standard.

Existing Certifications against [Version 1.0/Version 2.0] may continue for their full Certification cycle, at which point the Re-Certification Audit must use [Version 2.0 /Version 3.0].”

# Status and Effective Date (Assurance Manual)

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“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 [27<sup>th</sup> April 2022].

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

# Status and Effective Date (Assurance Manual)

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- A participant asked, regarding the transition period: what happens where there is a CoC with multiple sites which aren't renewed all at the same time?
- Secretariat: the transition period is audit-specific, and it concerns any audit (surveillance, recert is irrelevant)
  
- A participant asked: what about multiple PS under one CoC?
- Secretariat: it is dependent on the expiry date of the certification cycle for the Entity as a whole.
- The Expiry date is key, but through a scope change there is the possibility to align certification scopes for multiple Entities.



# 3 Standards Committee recommendation to ASI Board

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1. ASI Performance Standard v3.0
2. ASI Chain of Custody Standard v2.0
3. ASI Assurance Manual v2.0
4. ASI Claims Guide v2.0
5. ASI Performance Standard v3.0 Guidance
6. ASI Chain of Custody Standard v2.0 Guidance
7. ASI Glossary v1.0

For decision: recommendation to ASI Board to adopt revised Standards and supporting documentation



# 3 Standards Committee recommendation to ASI Board

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- A participant asked:
  - Q1: on the Guidance still have the possibility to adapt Guidance in between revisions. Secretariat: Yes indeed, more frequently and with Standards Committee oversight and approval prior to release.
  - Q2: 'where possible' in the PS on Area of Influence and Indigenous Peoples and APOs, but that opens the possibility of misuse. Does an auditor require an organisation to explain and show why it's not possible? Secretariat: that is not articulated in the Guidance, but that would be an easy inclusion, or in the Assurance Manual. i.e. 'The Entity needs to demonstrate to the Auditor why it is not possible to ....''
  - Q3: we have the ambition of no net loss, this year COP of CBD , which will set commitments on biodiversity and CO2. How do we deal with CBD, will we explain it in the Guidance? We can't have a situation where we stick to the Paris Agreement, and companies don't stick to the CBD requirements, that would seriously undermine the certification.
    - Secretariat:
      - We have included references to CBD in the Guidance.
      - The SC made a commitment to a 1.5 degree scenario for GHG BEFORE there was a pathway for the aluminum industry to reduce. When the COP for CBD happens, the Guidance updates process will reflect that and the SC has an opportunity to commit to the CBD outcomes. There's always opportunity for criterion change in case of significant issues. Revisit the criterion after guidance update and SC commitment (staged approach).

# 3 Standards Committee recommendation to ASI Board

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- Secretariat to include a short piece of Guidance for when something is 'Not Possible'.
  - “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.”
- SC agreed for the Secretariat to develop such wording.
- The Standards Committee unanimously agreed to recommend to the ASI Board the documents for adoption.

# 4 Post Board debrief and “thank you” call

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- Propose 60 minute call
  - Secretariat report on Board outcomes & update on launch schedule
  - Thank you to Standards Committee *in toto* and individually
  - Thank you to departing Committee members
  - Secretariat update on Committee membership and process from Q3 2022
  - Secretariat brief on DRAFT process for Guidance/supporting docs revision
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- 11 May 2022 1330 CEST?
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- SC agreed, no need for quorum to have the call on the 11<sup>th</sup> of May 2022, as no decisions will be taken, it is just an update.

## 5 Provisional Certification of Entities using desk-based audit processes

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- ASI Covid-19/remote auditing policy: <https://aluminium-stewardship.org/wp-content/uploads/2020/06/ASI-Interim-Policy-Audits-Audit-Related-Travel-and-Coronavirus-May2020-V4.pdf>
- Not integrated in to Assurance Manual (SC decision)
- Per criterion:
  - a. what can be rated remotely for the first time,
  - b. what can be confirmed remotely based on a previous audit, and
  - c. what can't be rated remotely ('unable to rate').
- Potential to revise (new Standards precipitate an update)
  - Standards Committee discussion
    1. Need for change to criteria for inclusion under (c) – workplan post-revision
    2. Risk to ASI of high 'unable to rate' count – what would alternative look like?
    3. Processual changes the Committee would like to explore
    4. Other
- Current status of [Certifications](#)

## 5 Provisional Certification of Entities using desk-based audit processes

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- A participant stated to feel very uncomfortable with a situation in which certified companies that can keep their ASI Certification for at least a year without there being any control. There have been a substantial amount of 'unable to rate', especially in countries where there are many human rights violations. In those cases, ASI should not allow these Certifications to be granted.
- Secretariat: indeed this was originally set up as a response to health crisis (COVID). The number of these remote provisional certification has been dropping significantly (3 or 4 in 2022), commensurate with loosening travel restrictions. The remote auditing policy has been amended and adjusted. The phrase 'unable to rate', actually is 'unable to fully rate', to indicate that there is a need to have on-site visit. It means an auditor can still make *some* observations. When oversight of these remote audits occurs, there are always corresponding observations. Moreover, provisional certifications can be revoked (i.e. an on-site audit cannot occur within a given time frame).

## 5 Provisional Certification of Entities using desk-based audit processes

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- A participant stated that indeed there is a pressure to go back to pre-covid19 policy. Also proposed to no longer have remote audits, in cases of high risk areas, proposal to simply refuse to carry out an audit.
- Secretariat: The Secretariat does review requests for remote audits, and the Secretariat has denied remote audits, especially if travel restriction are likely to ease in the near future.
- The participant responded that the preference should be that an Entity should just delay the audit.
- Secretariat responded that ASI does offer extensions.
- A participant clarified that those remote audits should not occur at all anymore.
- Secretariat responded that they are on the wane, with the ultimate aim to rescind this policy by mid 2022.
- Another participant stated that Secretariat should be cognisant of the politicisation of travel restrictions, especially of health crisis used as a guise to limit accessibility

## 5 Provisional Certification of Entities using desk-based audit processes

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- Secretariat: renaming of COVID-19 policy to rather a 'Force Majeure situation', thus there are other situations in which it should be invoked. The model still has merit, though its application may need some SC discussion.
- A participant asked what's the breakdown between rated remotely for the first time, and rated remotely based on a first audit (i.e. more leniency for first audits that occurred on-site)?
- Secretariat: correct, the Secretariat does apply it differently depending on the type of audits. More strict for first time audits. The level of granularity of the COVID-19 policy goes down to the criterion level, with recommendations on whether it can be assessed remotely or not.
- A participant stated that as another post-revision priority issue: finding a way to formalise a Force Majeure situation.
- A participant agreed, with a list of clear criteria when provisions can be put in place.
- Another participant stated that there is a need to identify, down to criterion level, where ASI *cannot* give provisional certification



## 5 Provisional Certification of Entities using desk-based audit processes

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- A participant stated that it isn't clear what the role of large companies are in those sorts of high risk geographies.
- Participant in chat : I think many corporate & non-corporate members of this committee recognize that a company's operations in a rights-averse context challenge and complicate their practices.
- A participant asked in chat: where national policy conflicts with the standard, how does ASI audit?
- Another participant stated that this will be clarified in the new policy, to ensure the non-politicization of use of remote audits.

## 5 Provisional Certification of Entities using desk-based audit processes

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- **Secretariat Actions**

1. Develop a statement for Standards Committee review rescinding Covid policy (for discussion post-adoption)
2. Initiate development of a Force Majeure process, modelled on the interim covid19 policy
  - List of clear criteria when provisions can be put in place.
  - Time horizons.
  - Criterion by criterion id (not jurisdiction by jurisdiction) of the conditions under which provisional certification will not be bestowed
  - Contextual
    - Linked to audit situation
    - Sensitive to political specificities
    - Clear language on national/standards conflict

- **SC Action**

- Discussion and formalisation of Force Majeure process (post-revision)

# 6 Agreed Upon Actions & Close

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- a. Agree any final post-meeting actions and timeframes by Committee members
- b. Agree actions by Secretariat
- c. Chairs and Secretariat thanks to all participants and close of meeting

A participant drew attention to the statement from the president of the Board of Rusal that the situation in Bucha village (near Kiev) should be thoroughly investigated (<https://rusal.ru/en/press-center/press-releases/chairman-s-statement-regarding-the-situation-in-ukraine/>). These sorts of messages from one of our members are applaudable.

Thank you