

ASI Management Response

An Examination of Industry Standards in the Raw Materials Sector

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The research report can be found on Germanwatch's website here:

https://www.germanwatch.org/sites/default/files/gw_bericht_en_final_221004.pdf

Findings and Recommendations

This study explores the efficacy of eight standards –Aluminium Stewardship Initiative (ASI), Initiative for Responsible Mining Assurance (IRMA), International Council on Mining & Metals (ICMM), London Metals Exchange (LME), ResponsibleSteel, Responsible Minerals Initiative (RMI), The Copper Mark, Voluntary Principles on Security and Human Rights (VPSHR), by examining the involvement of rights holders in decision-making, audit requirements within certification systems, the robustness of implementation mechanisms in corrective action plans, and the impact of grievance mechanisms on certification systems.

The study emphasises that companies need to directly bear the responsibility for human rights and environmental due diligence. Legal frameworks should establish clear, minimum standards for these initiatives, ensuring they include robust criteria like transparency and effective grievance mechanisms, with active involvement from rights holders and civil society. It is essential to define the distinct roles of certifications, standards, and multi-stakeholder dialogues in the due diligence process, ensuring transparency and accountability throughout the supply chain.

For the overview of standard initiatives involved rightsholders, Germanwatch has given ASI a green rating and provided positive comments:

“Numerous civil society organisations are represented at ASI, including international and national NGOs as well as community representatives and organisations of indigenous communities. The ASI Indigenous Peoples Advisory Forum elects two representatives who participate in defining and further developing the standard in the Standards Committee.”

The evaluation criteria for audits, Corrective Action Plans (CAPs) and complaint mechanism of the standard for ASI show varying results across individual criteria and sub-criteria.

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ASI thanks Germanwatch for their positive comments regarding our standard governance and certification system. We greatly value Germanwatch's recognition of our efforts to uphold rigorous standards, which underscore our commitment to transparency, ethical conduct, and sustainability stewardship. Moving forward, ASI remains dedicated to enhancing our collaboration with stakeholders to ensure continuous improvement and adherence to global best practices.

In response to the evaluation and commentary provided by Germanwatch regarding categories of audit, CAPs and compliant mechanism, ASI respectfully disagrees with several assertions.

While ASI appreciates Germanwatch's focus on rigorous auditing practices and stakeholder engagement, we maintain that our operational contexts necessitate a nuanced approach to audit criteria, including rights holder involvement. ASI is an ISEAL Code Compliant member and has been independently assessed against the ISEAL Codes of Good Practice for Standard-Setting, Assurance and Impacts. Our current practices align with industry standards and legal requirements, ensuring robust protection and engagement of stakeholders across our supply chain. We specifically support the Indigenous Peoples Advisory Forum (IPAF) by facilitating their involvement in standards-setting processes.

All submitted audit reports are subjected to an internal oversight assessment by the ASI Secretariat to ensure compliance with the ASI Assurance Manual, improve the competence and consistency of assurance providers through direct feedback, and identify opportunities for enhancing ASI's assurance system. Both internal and external reviews are conducted, including witness assessment, where ASI observes or arranges on-site evaluations of accredited auditing firms performing ASI audits; impartiality reviews, which independently assess the fairness and risk management in ASI assurance decision-making.

ASI's Complaints Mechanism ensures timely resolution of issues related to standards, certification, auditor conduct, and policies. Integral to ASI's governance, it facilitates stakeholders—rights holders, communities, workers, NGOs, ASI Members, auditors, and others—to voice concerns and seek resolution through engagement and transparency improvements. ASI guarantees confidentiality and protection against retaliation for

complainants, offering accessible submission options via the EthicsPoint portal with multi-language support.

ABC remains open to constructive dialogue with Germanwatch and other stakeholders to continually improve our practices and foster multi-stakeholder collaboration.