

ASI Management Response

An Assessment of Third-Party Assurance and Accreditation Schemes in the Minerals, Steel and Aluminum Sectors: A tool for automakers and other supply chain stakeholders

Prepared by Lead the Charge

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The research report can be found on Lead the Charge's website here:

<https://leadthecharge.org/wp-content/uploads/2024/02/LeadTheCharge-Assessment-06022024.pdf>

Findings and Recommendations

The assessment evaluated eight standard schemes, including

- Aluminium Stewardship Initiative (ASI)
- Global Steel Climate Council (GSCC)
- Responsible Minerals Initiative (RMI)
- International Council on Mining & Metals (ICMM)
- Initiative for Responsible Mining Assurance (IRMA)
- ResponsibleSteel
- The Copper Mark
- Towards Sustainable Mining (TSM)

based on several criteria to determine its credibility as a third-party assurance program. These criteria include evaluating the governance structure of the standard, the transparency and credibility of the assurance and accreditation processes, transparency of results, requirements for corrective actions in cases of non-conformance or environmental and human rights issues identified during audits, the effectiveness and accessibility of the grievance mechanism, compliance with ISEAL, and credibility of standard criteria.

Among the seven criteria assessed, ASI has received full credits on “credible audits and accreditation” and “ISEAL (Code) compliance”.

For criteria which ASI has received partial credits, the following recommendations are made to ASI with respect to the governance structure, transparency and grievance mechanisms.

- Multi-stakeholder governance: Increase representation of rights-holders/civil society on ASI's governing board.
- Transparency of results: Provide detailed audit reports that disclose methodologies and stakeholder engagement.
- Effective grievance mechanism: Establish an independent grievance process accessible to all complainants
- Credible standard criteria: Strengthen alignment with the UN Guiding Principles on Business and Human Rights.

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We appreciate Lead the Charge's analysis of third-party assurance and accreditation schemes and their recommendations for automakers, downstream companies, and other stakeholders. Lead the Charge's recognition of ASI's commitment to ISEAL Code compliance and credible audits, which emphasize independent auditors, site-level verification, and rights-holder participation, validates our ongoing efforts in ensuring openness and accountability across our operations. We are committed to further continuing and enhancing these practices.

Among the eight assessed certification schemes, ASI is the only scheme that has been independently evaluated against the ISEAL Codes of Good Practice for Standard-Setting, Assurance, and Impacts.

As Lead the Charge will update its assessment every year, we encourage them to consider utilising the ISEAL Good Practice Guide for Benchmarking, which offers more comprehensive methodologies to analyse and evaluate sustainability initiatives and performance.

ASI was disappointed to see that it was not recognised by Lead the Charge for its work on multi-stakeholder governance and engaging with stakeholders and rightsholders within our governance processes.

ASI implements a robust governance structure aimed at inclusive decision-making. The Board oversees corporate governance, comprising equal representation from upstream, downstream sectors of the aluminium industry, civil society, and independent directors, ensuring a balanced approach to decision-making. In parallel, the Standards Committee manages standards governance, equally represented by industry stakeholders and civil society, including Indigenous Peoples' Advisory Forum members. This structure supports checks and balances essential for effective governance.

Furthermore, ASI actively engages stakeholders and rightsholders in its governance processes through various channels, including membership in working groups and

participation in governance elections with weighted voting to ensure equitable representation across diverse interests. Transparency is upheld through the publication of meeting minutes and outcomes, reinforcing ASI's commitment to accountability and stakeholder involvement in shaping responsible practices throughout the aluminium value chain.