

ASI Performance Standard

Part I: Principles and Criteria

Version 1
December 2014

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TRANSLATIONS

This document is also available in Arabic, French, Bahasa Indonesia, Mandarin, Portuguese and Spanish at: <http://aluminium-stewardship.org/asi-standard/asi-performance-standard/>

Please note: IUCN and the other participating organizations do not take any responsibility for errors or omissions occurring in the translation into other languages of Version 1 of the ASI Performance Standard (Part I: Principles and Criteria), whose original and official version is in English.

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INQUIRIES OR FEEDBACK

Business and Biodiversity Programme
International Union for Conservation of Nature
+41 22 999 0000
biobiz@iucn.org
www.aluminium-stewardship.org

Version 1
December 2014

ASI Performance Standard

Part I: Principles and Criteria



About this Standard

This Standard defines the Environmental, Social and Governance Principles and Criteria applicable to the aluminium value chain. In the near future, it will be complemented by Indicators, Verifiers and Means of Verification.

This Standard is publicly available. The Standard will be implemented through a third-party certification system managed by the Aluminium Stewardship Initiative.

Standard setting is an ongoing activity. This Standard will be regularly reviewed based on implementation experience and current and upcoming sustainability challenges, and in line with ISEAL standard-setting requirements. The version posted on the ASI web site supersedes any older version. To verify that this document is the current one, please visit: www.aluminium-stewardship.org

This Standard has been developed by a Standard Setting Group of interested parties with a broad representation of interests in the subject matters to which the Standard applies. The members of the Standard Setting Group included representatives of the aluminium value chain and of civil society, namely:

Aleris; AMAG/Constantia Flexibles; Amcor Flexibles; As You Sow; Audi; Ball Corporation; BMW Group; CII – Godrej Green Business Centre, India; Cleaner Production Center South Africa; Constellium; Ecofys; EMPA – Materials Science and Technology; Fauna and Flora International; Forest Peoples Programme; Fundacion Para la Promoción de Conocimientos Indigenas/Asociación Indígena Ambiental en Panama; Hydro; Igora; IndustriAll Global Union; IUCN; Jaguar Land Rover; Nestlé Nespresso SA; Novelis; Partners Global; Rexam; Rio Tinto Alcan; Tetra Pak; Transparency International and WWF.

The International Union for Conservation of Nature (IUCN) has acted as coordinator of the standard-setting process.

Following face-to-face meetings and two rounds of public consultations, the Standard Setting Group, in December 2014 has approved, in accordance with the ASI Voting Mechanism¹, the “ASI Performance Standard Version 1 (Part I: Principles and Criteria)”.

¹ According to the Voting Rules the vote will be deemed to have passed by a two thirds majority. With the exception of WWF and Transparency International, the “ASI Performance Standard Version 1 (Part I: Principles and Criteria)” has been approved by all members of the Standard Setting Group.



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NOTE: Definitions are provided in Annex 1 for underlined words.



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Introduction

The ASI Performance Standard has been developed by a group of business and civil society representatives who share the common aim of driving positive change at the sectoral level. Business realities have been taken into consideration, as well as the need for a paradigm shift in key areas of sustainability, such as human rights, greenhouse gas emissions, biodiversity, waste and material stewardship.

The outcome of the process represents a 'positive compromise', a shared vision of a first step towards sustainability in the aluminium sector that will enable all aluminium actors to participate in a long-term process of continuous improvement, as they move towards compliance with the standard.

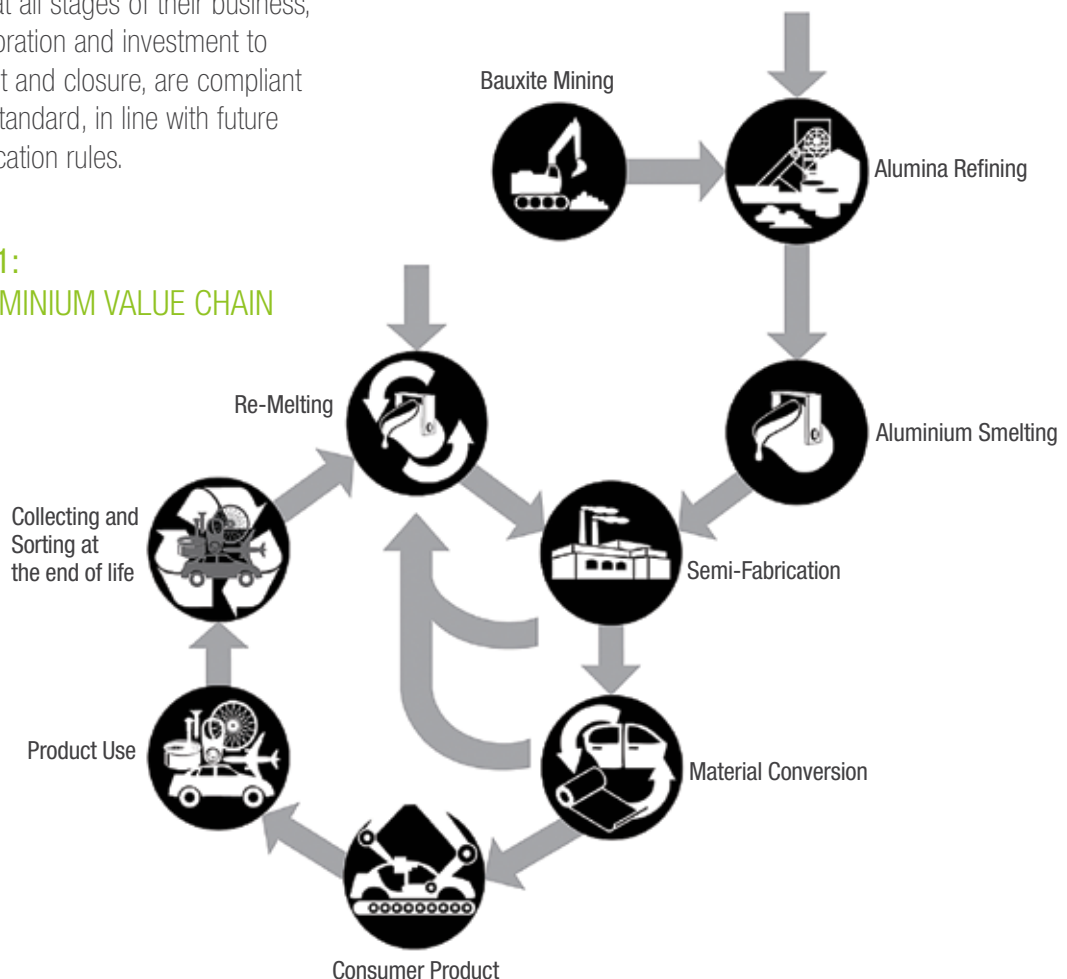
It is expected that companies that implement the ASI Performance Standard will commit to uphold the Standard in all their activities, taking into account both direct business impacts and their broader areas of influence. In particular, they will ensure that all stages of their business, from exploration and investment to divestment and closure, are compliant with the Standard, in line with future ASI certification rules.

ABOUT THE ALUMINIUM STEWARDSHIP INITIATIVE

The Aluminium Stewardship Initiative (ASI) was launched at the end of 2012 by key players in the aluminium industry and is supported today by fourteen companies: Aleris, Amcor Flexibles, AMAG/Constantia Flexibles, Audi, Ball Corporation, BMW Group, Constellium, Hydro, Jaguar Land Rover, Nestlé Nespresso SA, Novelis, Rexam, Rio Tinto Alcan and Tetra Pak.

From the outset, these companies shared a common goal: to develop and implement a standard for aluminium stewardship that would drive responsible environmental, social and governance performance across the entire aluminium value chain. This standard would be a tool for responsible sourcing of aluminium, as well as a material stewardship collaborative framework to improve the overall sustainability performance of the entire value chain of aluminium-containing products (see Figure 1).

FIGURE 1:
THE ALUMINIUM VALUE CHAIN



The ASI builds on the earlier work of a group of aluminium companies, non-governmental organizations, policy makers, retailers and end-users of aluminium products, who joined forces to assess industry-specific sustainability challenges, opportunities and needs. This assessment resulted in a report, Responsible Aluminium Scoping Phase Main Report (Track Record)², that summarizes the industry's environmental, social and governance sustainability-related risks and opportunities. The report also underscores the need for a transparent global multi-stakeholder approach that would complement existing sustainability programmes throughout the aluminium industry.

In 2012-2013, the founding members of ASI focused on recruiting a critical mass of companies that would ensure representation from the entire aluminium value chain, from bauxite mining to alumina refining, aluminium smelting, semi-fabrication (rolling, extrusion and casting), material conversion, consumer/commercial goods suppliers and re-melting/recycling. From the outset, it was recognized that real change in the aluminium industry could only be achieved by bringing together the entire value chain, from producers and transformers to end-users. A value chain approach would not only create more opportunities for the final standard to be adopted by all players, but would also allow for all sustainability issues specific to the aluminium value chain to be addressed.

In January 2014 the ASI standard-setting process was launched, with the aim of delivering a first version of the ASI Performance Standard (Principles and Criteria) and the ASI Chain of Custody Standard by early 2015.

² <http://aluminium.trackrecordglobal.com/index.php/report>

THE ASI STANDARD DEVELOPMENT PROCESS

The development of the ASI Standard was led by the Standard Setting Group (SSG) (<http://aluminium-stewardship.org/the-process/standard-setting-group/>), which includes a balanced representation of industry and non-industry stakeholders. The SSG met four times during 2014 to review the various drafts of the Standard and consider and build on all comments received during the two public consultation periods.

On the occasion of the last meeting, on 25 September 2014, the members of the Standard Setting Group recommended, in accordance with the ASI Voting Mechanism³, that the Standard be approved for piloting and implementation.

IUCN, represented by its Global Business and Biodiversity Programme, has coordinated the ASI standard-setting process since 1 January 2013. IUCN's role was to ensure that the standard-setting process was transparent, inclusive and effective. IUCN was responsible for the design and implementation of the standard-setting process, in particular for:

- selection of the stakeholder representatives for the Standard Setting Group;
- implementation of the stakeholder outreach programme;
- management of the budget and all administrative requirements; and
- development and implementation of the communications plan.

The ASI Performance Standard will undergo regular review. The date of the next review has not yet been set, but will be made public through the ASI web site. The review will take place by the end of 2019 at the latest.

³ According to the Voting Rules the vote will be deemed to have passed by a two-thirds majority.

PURPOSE OF THE ASI PERFORMANCE STANDARD

The ASI Performance Standard has been established to:

- enable the aluminium industry to demonstrate responsibility and provide independent, credible and verifiable proof of its environmental, social and governance performance;
- reinforce and promote consumer and stakeholder confidence in aluminium products;
- provide the basis for a system that would enable the identification of suppliers and materials throughout the supply chain, based on their sustainability;
- reduce reputational risks concerning aluminium and aluminium industry players; and
- address the expressed needs by end-use customers and consumers for traceability of aluminium throughout the value chain.

The ASI Performance Standard's Principles and Criteria are applicable to all stages of aluminium production and transformation, specifically: bauxite mining, alumina refining, primary aluminium production, semi-fabrication (rolling, extrusion, forging and foundry), conversion, and refining and re-melting of recycled scrap.

The Performance Standard also includes criteria applicable to all actors involved in the aluminium value chain; these criteria can be used to achieve optimal lifecycle management of aluminium-containing products. In particular, the Standard focuses on how material recycling at the end of life of aluminium-containing products can improve resource efficiency and reduce environmental impacts.

The ASI Chain of Custody Standard provides coherent and integrated linkage of information between the different stages of the value chain, allowing it to be used both as a tool for responsible sourcing of aluminium, and also as a collaborative framework to improve the overall sustainability performance of the entire value chain of aluminium.

SCOPE OF THE ASI PERFORMANCE STANDARD

The ASI Performance Standard 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.

The Standard is comprised of eleven sustainability aspects addressing Environmental, Social and Governance sustainability.



The members of the Standard Setting Group recognized that, although these eleven sustainability aspects apply to all stages of the aluminium production value chain, certain stages of the value chain have the potential for more defined impacts on certain sustainability aspects (referred to as 'hotspots' in the aluminium value chain). For this reason, these stages also include process-specific criteria.

The identified hotspots for the aluminium value chain are:

- greenhouse gas emissions for refining and smelting;
- bauxite residues, SPL and dross for refining, smelting, re-melting and casting;
- biodiversity management for bauxite mining;
- indigenous rights for bauxite mining and smelting; and
- material stewardship for semi-fabrication, material conversion, re-melting and consumer/commercial goods supplier.

The Standard is based on a risk assessment approach: all issues are applicable to all stages of the value chain, as long as the due diligence has identified material risks. However, it also recognizes that certain stages of the value chain have higher intrinsic risks.

For example, human rights protection, in line with UN universally accepted standards, applies to all stages of operations of companies implementing the standard. However, bauxite mining and the conversion to aluminium through smelting are identified as the main areas of impact on local communities and Indigenous Peoples and their lands, territories and resources. The ASI requirements on human rights will therefore likely apply in all such cases and also where the due

diligence undertaken as part of the ASI process has identified potential impacts upon Indigenous Peoples and their lands, territories and resources, as well as other local communities and groups.

With regard to greenhouse gas (GHG) emissions, it is well recognized that about 80 percent of all GHG emissions of the aluminium industry (generic worldwide) originate at the smelter stage (including the energy source); therefore the Standard includes two smelter-specific criteria. However, as it is also important for all companies in the aluminium value chain to report on their GHG emissions and implement plans to reduce these emissions from a lifecycle perspective, there are also two criteria that apply to all companies implementing the ASI Standard. In the broader context, the SSG recognizes the importance of the ultimate objective established under the UN Framework Convention on Climate Change (UNFCCC), which is to stabilize greenhouse gas concentrations 'at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system'. In the longer term, the SSG has committed that ASI will explore what a 2°C compliant (in line with the Copenhagen Accord at UNFCCC's 15th Conference of Parties) GHG emissions trajectory would look like for the entire aluminium sector, in collaboration with climate change experts, interested companies and potentially interested aluminium industry associations. Once this trajectory is better understood, ASI will consider if the criteria can be updated accordingly in a subsequent standard review.

Finally, gender has been identified as a critical cross-cutting issue. To address this issue, the SSG opted to include gender-specific requirements at the criteria level and to establish very clear indicators to measure the implementation of all relevant criteria from a gender perspective.

APPLICABILITY OF THE ASI PERFORMANCE STANDARD

The ASI Standard is applicable to operations in all parts of the aluminium value chain. Commercial and consumer goods suppliers and retailers at the very end of the value chain will have to implement only the Material Stewardship-related criteria (while

using the Performance Standard as a sourcing scheme, if complemented by implementation of the ASI Chain of Custody Standard). Table 1 illustrates the applicability of the ASI Performance Standard and of the ASI Chain of Custody to the different parts of the value chain.

TABLE 1:
APPLICABILITY OF THE ASI PERFORMANCE STANDARD AND OF THE ASI CHAIN OF CUSTODY

| Aluminium production stage/process | ASI Performance Standard (all aspects) | Chain of Custody Standard | ASI Performance Standard (Aspect 4: Material Stewardship only) |
|---|--|---------------------------|--|
| Bauxite mining | YES | YES | YES |
| Alumina refining | YES | YES | YES |
| Aluminium smelting | YES | YES | YES |
| Semi-fabrication (rolling, extrusion and casting) | YES | YES | YES |
| Re-melting/recycling | YES | YES | YES |
| Material conversion | YES* | YES | YES |
| Consumer/commercial goods suppliers | NO | YES | YES |
| Retailers | NO | YES | YES |
| Scrap yards | NO | YES | NO |
| Traders/LME | NO | YES | NO |

*for products where aluminium is the major part of the product (by weight)

COMPLEMENTARY DOCUMENTS

To complement and support the implementation of the ASI Performance Standard's Principles and Criteria, the following products will be developed over the next two years:

- The ASI Performance Standard's Indicators, Verifiers and Means of Verification (2015). These will build on the wealth of material that the SSG has been compiling since the beginning of the process, including comments related to implementation received during the two public consultations. The indicators will define how the criteria will be measured at a global level and the means of verification will show what is required in order to be compliant with the criteria. Indicators will also enable the criteria to be applicable to certain critical stages of the value chain with specific requirements, including adaptation to the size of the company, and to support the implementation of cross-cutting issues (e.g. gender).
- The ASI Chain of Custody Standard (early 2015). This standard will enable coherent and integrated linkage of information between the different stages of the aluminium value chain and provide assurance that, at each stage in the value chain, materials from ASI-compliant operations are only mixed under controlled procedures with recycled sources and other non-controversial sources.
- Additional Guidance documents (by end of 2016). These documents will support and guide the implementation of all aspects, particularly the more complex ones.

IMPLEMENTATION OF THE ASI PERFORMANCE STANDARD

The ASI Performance Standard will be implemented through a third-party certification system. It is expected that certification of compliance can apply at both the company level and the product level (the latter will also require implementation of the ASI Chain of Custody Standard). The certification rules and assurance system, including the accreditation procedures, are currently being developed by the companies supporting the Aluminium Stewardship Initiative.

The ASI certification system will establish an independent and robust grievance mechanism to ensure that any complaint in relation to the implementation of the ASI Performance Standard will be addressed through a fully transparent and independent process.

Finally, the companies supporting the process have also taken steps to establish a legal entity that will take over the implementation of the ASI Performance Standards.

DEFINITIONS

In reading this document, please consider the following definition for the terms “Aluminium” and “Company”:

ALUMINIUM

Aluminium refers to the metallurgical compounds commonly used in many applications (automotive, aerospace, mass transportation, buildings, packaging, consumer goods, electricity conductors, industrial equipment). It can be pure or alloyed with other metals (Mg, Si, Mn, Cu, Zn, Fe, Cr and others). In the context of ASI, the raw materials used to produce the metal (bauxite ore and aluminium oxide, commonly called alumina) can also be referred to as aluminium in its generic meaning.

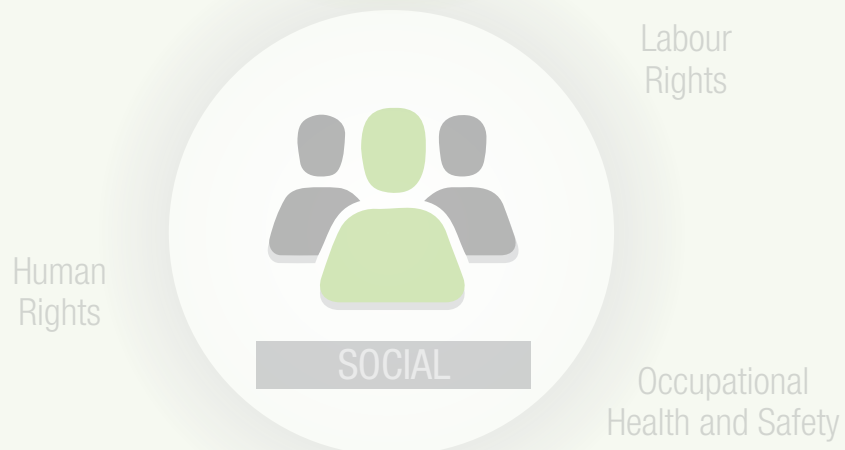
However, all other forms of chemical compounds containing aluminium that are not used to produce

metallic aluminium are not included in the definition of aluminium (in the context of ASI), for example: Al hydroxides, Al oxides (if not used to produce aluminium metal), Al chlorides, Al chlorhydrates, Al sulphates, Al borates, Alu phosphates, Alu acetates, Alu fluorosilicates, etc. Those compounds are commonly used in the chemical industry, but not in the metallurgical industry. Any alloy (x% aluminium and y% other elements) should be considered as 100 percent aluminium and sourcing provisions of the ASI Chain of Custody Standard do not apply to alloying elements.

COMPANY

A cluster of legal entities under common control whose activities are principally concerned with the production and transformation of aluminium from mine to metal (bauxite, metallurgical alumina,

aluminium in metallic form, pure or alloyed), with the assembling or use of aluminium (or aluminium alloys) into products, for which aluminium is a key functional element or with the management of aluminium scrap.





ASI Performance Standard: Principles and Criteria



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Governance



1. BUSINESS INTEGRITY

Principle: The Company shall conduct its business according to a high level of integrity and compliance.

Criterion 1.1: Compliance

The Company shall ensure compliance with all applicable law, and with the ASI Performance Standard.

Criterion 1.2: Anti-Corruption

The Company shall work against corruption in all its forms, including extortion and bribery, consistent with applicable law and international instruments.

Criterion 1.3: Code of Conduct

The Company shall implement a code of conduct or similar instrument including principles relevant to environmental, social and governance performance.

2. POLICY AND MANAGEMENT

Principle: The Company is committed to sound management of its environmental, social and governance processes.

Criterion 2.1: Environmental, social, and governance policy

The Company shall implement and communicate internally, policies consistent with the environmental, social, and governance practices included in this Standard.

Criterion 2.2: Leadership

The Company shall appoint at least one senior management representative who shall ensure that the requirements of this Standard are met.

Criterion 2.3: Environmental and social management systems

The Company shall implement documented environmental and social management systems.

Criterion 2.4: Responsible sourcing

The Company shall implement a sourcing policy covering environmental, social and governance aspects.

Criterion 2.5: Impact assessments

The Company shall conduct environmental, social, cultural and human rights impact assessments, including a gender analysis, for major developments or large expansions.

Criterion 2.6: Emergency response plan

The Company shall have site specific emergency response plans developed in collaboration with potentially affected stakeholders groups such as communities, workers and their representatives, and relevant agencies.

Criterion 2.7: Mergers and acquisitions

The Company shall include environmental, social and governance aspects in the due diligence process for mergers and acquisitions.

Criterion 2.8: Closure, decommissioning and divestment

The Company shall include environmental, social and governance aspects in the due diligence process for closure, decommissioning and divestment.

3. TRANSPARENCY

Principle: The Company shall be transparent in alignment with internationally recognized reporting standards.

Criterion 3.1: Sustainability reporting

The Company shall publicly disclose its governance approach and its material environmental, social and economic impacts.

Criterion 3.2: Stakeholder complaints, grievances and requests for information

The Company shall implement accessible transparent, understandable and culturally and gender sensitive, complaints resolution mechanisms, adequate to address stakeholder complaints, grievances and requests for information relating to its operations.

Criterion 3.3: Non-compliance and liabilities

The Company shall publicly disclose information on significant fines, judgments, penalties and non-monetary sanctions for failure to comply with applicable law.

Criterion 3.4: Payments to governments

The Company shall only make, or have made on its behalf, payments to governments on a legal and/or contractual basis. Companies in the extractive sector shall disclose these payments publicly building on existing audit and assurance systems.



Governance



4. MATERIAL STEWARDSHIP

Principle: The Company is committed to take a life cycle perspective and to promote resource efficiency, collection and recycling of aluminium within its operations as well as within the value chain.

Criterion 4.1: Environmental Life Cycle Assessment

The Company shall evaluate life cycle impacts of its major product lines for which aluminium is considered or used. Upon customer request, the Company shall provide adequate cradle-to-gate Life Cycle Assessment (LCA) information on its aluminium (containing) product(s). Any public communication on LCA should include public access to the LCA information and its underlying assumptions including system boundaries.

Companies should systematically contribute to the development of average Life Cycle Inventory (LCI) datasets in the region where they operate.

Criterion 4.2: Collaboration

The Company shall identify and participate in relevant external business initiatives, engage its value chain partners and external stakeholders on initiatives that foster material stewardship, and promote the objectives of this Standard.

Criterion 4.3: Product design

The Company shall integrate clear objectives into the design and development process of components for which aluminium is considered within the product to enhance sustainability, including the environmental life cycle performance of the end product.

This criterion applies only to Semi fabrication (rolling, extrusion and casting); Material conversion; Consumer/Commercial goods suppliers.

Criterion 4.4: Aluminium process scrap

The Company shall minimize the generation of aluminium process scrap within its own operations and where generated, target 100% of scrap for collection and subsequent recycling and/or re-use. Companies shall seek to separate aluminium alloys and grades for recycling.

This criterion does not apply to Mining and Alumina refining.

Criterion 4.5: Collection and recycling of products at end-of-life (Consumer/Commercial goods suppliers)

The Company shall implement a recycling strategy, including specific timelines, activities and targets. The Company shall also take a lead role in engaging with local, regional or national collection and recycling systems for their products containing aluminium at end-of-life to support accurate measurement and the increase of recycling rates in their respective markets.

This criterion excludes aluminium containing products where comparative life cycle assessment demonstrates that recycling is not the best option for the environment.

This criterion applies to Consumer/Commercial goods suppliers.

Criterion 4.6: Collection and recycling of products at end-of-life (Value chain engagement)

The Company shall engage with relevant stakeholders to support efforts to increase recycling rates.

This criterion excludes aluminium containing products where comparative life cycle assessment demonstrates that recycling is not the best option for the environment.

This criterion applies to Semi-Fabrication, Re-melting and Material conversion companies.



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Environment



5. GREENHOUSE GAS EMISSIONS

Principle: Recognizing the ultimate objective established under the UN Framework Convention on Climate Change, the Company is committed to reducing its Green House Gas (GHG) emissions from a lifecycle perspective to mitigate its impact on the climate.

Criterion 5.1: Disclosure of GHG emissions and energy use

The Company shall account for and publicly disclose material GHG emissions and energy use by source on an annual basis.

Criterion 5.2: GHG emissions reductions

The Company shall publish time-bound emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the most material sources of direct and indirect emissions.

Criterion 5.3: Existing smelters

Existing smelters shall demonstrate that they have put in place the necessary management system, evaluation procedures, and operating controls to limit the direct GHG emissions. By 2030, existing smelters shall demonstrate that the level of direct and indirect GHG emissions (scope 1 and scope 2) from the production of aluminium is at a level below 8 tonnes CO₂-eq per metric tonne aluminium.

This criterion applies only to Aluminium smelters.

Criterion 5.4: New smelter

Smelters starting production after 2020 shall demonstrate that the direct and indirect GHG emissions (scope 1 and scope 2) from the production of aluminium is at a level below 8 tonnes CO₂-eq per metric tonne aluminium.

This criterion applies only to Aluminium smelters.

6. EMISSIONS, EFFLUENTS AND WASTE

Principle: The Company shall minimize emissions and effluents that have adverse effects on humans or the environment, and manage waste according to the waste mitigation hierarchy.

Criterion 6.1: Emissions to air

The Company shall quantify, report and implement plans to minimize emissions to air that have adverse effects on humans or the environment.

Criterion 6.2: Discharges to water

The Company shall quantify, report, and implement plans to minimize discharges to water that have adverse effects on humans or the environment.

Criterion 6.3: Assessment and management of spills and leakage

The Company shall conduct an assessment of major risk areas of operations where spills and leakage may contaminate air, water and/or soil. Following completion of this assessment, the Company shall have a management and external communication plans, compliance controls and a monitoring programme in place to prevent and detect those spills and leakage.

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6. EMISSIONS, EFFLUENTS AND WASTE (CONTINUED)

Criterion 6.4: Reporting of spills

The Company shall disclose to affected parties the volume, type and potential impact of significant spills immediately after an incident, and report publicly on an annual basis. The Company shall also publicly disclose impact assessments of the spills and remediation actions taken.

Criterion 6.5: Waste management and reporting

The Company shall implement a waste management strategy. The Company shall also publicly disclose, on an annual basis, the quantity of hazardous and non-hazardous waste created by the Company, and associated waste disposal methods.

Criterion 6.6: Bauxite residue

The alumina refinery plant shall:

- Have constructed storage areas in a manner that effectively prevents the release of bauxite residue/leachate to the environment.
- Perform regular checks and controls conducted by third parties to ensure the integrity of the bauxite residue storage.
- Control and neutralise water discharge from bauxite residue storage.
- Discharge no bauxite residue to marine and aquatic environments.

- Establish a timeline and a roadmap for the elimination of bauxite residue lagooning in favour of state of the art technologies or re-use. For any new plant, only use dry stacking or dry disposal or re-use the bauxite residue.
- Have a bauxite residue area remediation after closure.

This criterion applies only to Alumina refiners.

Criterion 6.7: Spent Pot lining (SPL)

The smelter shall maximize recycling of carbon and refractory parts from SPL, and will demonstrate that they continuously review alternative options to land filling of SPL. SPLs shall not be discharged to fresh water or marine environments.

This criterion applies only to Aluminium smelters.

Criterion 6.8: Dross

The refiner, re-melter or cast house shall treat their dross and maximise recycling of treated dross residues (e.g. salt slag) and will demonstrate that they continuously review alternative options to land filling.

This criterion applies only to Refiners, Re-melters and Cast houses.

Environment



7. WATER

Principle: The Company shall consume, use and manage water responsibly.

Criterion 7.1: Water assessment and reporting

The Company shall map, report its own water use, and disclose material water-related risks in the watershed.

Criterion 7.2: Water management

The Company shall implement water management plans to address material risks identified in criterion 7.1.

8. BIODIVERSITY

Principle: The Company shall manage its biodiversity impacts in accordance with the mitigation hierarchy.

Criterion 8.1: Biodiversity assessment

The Company shall assess the risk and materiality of the biodiversity impacts and dependencies from the land use and activities over which the company has direct management control or significant influence.

Criterion 8.2: Biodiversity management

The Company shall implement and monitor a Biodiversity Action Plan to address material impacts identified through Criterion 8.1. The Biodiversity Action Plan shall be consultative and designed in accordance to the mitigation hierarchy and the achieved biodiversity outcomes shall be shared with stakeholders, made publicly available, and periodically updated.

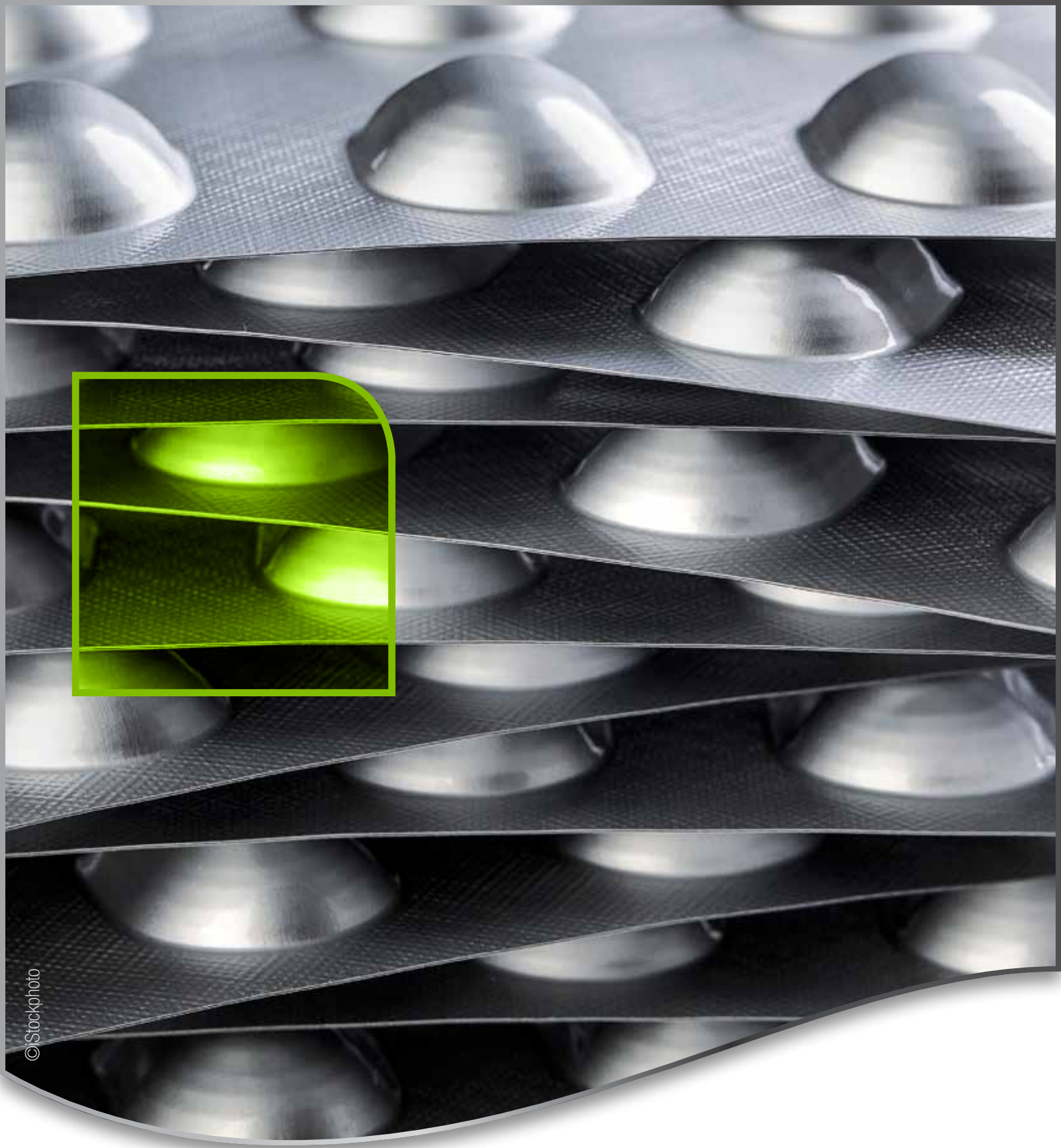
Criterion 8.3: Commitment to “No Go” in World Heritage properties

The Company shall not explore or mine in World Heritage properties. All possible steps will be taken to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.

This criterion applies only to Mining companies.

Criterion 8.4: Alien species

The Company shall proactively prevent accidental or deliberate introduction of alien species that could have significant adverse impacts on biodiversity.



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Social



9. HUMAN RIGHTS

Principle: The Company shall respect and support individual and collective human rights affected by its operations. The Company shall take appropriate action to assess, prevent and remedy potential adverse impacts on human rights in a manner that is consistent with international instruments on human rights.

Criterion 9.1: Human rights due diligence

The Company shall have and implement a human rights policy and due diligence process to identify, prevent, mitigate and account for how it addresses its actual and potential impacts on human rights, in line with the UN Guiding Principles on Business and Human Rights and applicable human rights international instruments.

Criterion 9.2: Women's Rights

The Company shall implement policies and processes to ensure respect for the economic, social and cultural and environmental rights and interests of women, consistent with international standards, including the UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW).

Criterion 9.3: Indigenous Peoples

The Company shall implement policies and processes to ensure respect for the economic, social and cultural and environmental rights and interests of Indigenous Peoples, consistent with international standards, including ILO Convention 169 and UN Declaration on the Rights of Indigenous Peoples.

This criterion applies if the due diligence conducted as part of Criterion 9.1 has identified the presence of indigenous peoples or their lands, territories and resources.

Criterion 9.4: Free, Prior, and Informed Consent (FPIC)

Where new projects or major changes to existing projects may have significant impacts on the Indigenous peoples associated culturally with and living on the relevant lands, the Company shall consult and cooperate in good faith with the Indigenous Peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

Criterion 9.5: Cultural and sacred heritage

The Company, in consultation with affected communities, shall cooperatively identify sacred or cultural heritage sites and values within their area of influence and take appropriate action to avoid or remedy impacts, as well as to ensure continued rights of access to such sites or values.

Where Indigenous Peoples sacred sites may be impacted FPIC criterion (9.4) will apply.

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9. HUMAN RIGHTS (CONTINUED)**Criterion 9.6: Resettlements**

The Company, in project designs, shall consider feasible alternatives to avoid or minimise physical social and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable, including women. When physical displacement is unavoidable, the Company in consultation and in cooperation with the affected parties shall develop a Resettlement and Compensation Action Plan that covers, at a minimum, the applicable requirements of IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement) and complies with applicable law regardless of the number of people affected.

This criterion applies to all resettlements except when Indigenous Peoples are involved, in which case FPIC criterion (9.4) will apply.

Criterion 9.7: Local communities

The Company shall respect the legal and customary rights and interests of local communities in their lands and livelihoods and their use of natural resources.

This criterion applies where the outcome of the due diligence conducted as part of Criterion 9.1 has identified the presence of issues affecting local communities.

Criterion 9.8: Local communities' livelihoods

The Company shall take appropriate steps to prevent and address any adverse impacts on local community livelihoods resulting from its activities. The Company shall explore with communities opportunities to respect and support their livelihoods.

This criterion applies where the outcome of the due diligence conducted as part of Criterion 9.1 has identified the presence of issues affecting local communities.

Criterion 9.9: Conflict affected and high risk areas

The Company shall not contribute to armed conflict or human right abuses in conflict-affected or high risk areas.

Criterion 9.10: Security practice

The Company shall, in its involvement with both public and private security providers, respect human rights, in line with recognised standards and good practices.

Criterion 9.11: Remediation of adverse impacts

In line with the remediation process contained in the UN Guiding Principles on Business and Human Rights, where the Company has caused or contributed to adverse impacts, it shall provide for or cooperate in their remediation through legitimate processes.

When Indigenous Peoples are involved, FPIC criterion (9.4) may apply.

Social



10. LABOUR RIGHTS

Principle: The Company shall uphold decent work and the human rights of workers and treat them with dignity and respect, in line with the ILO core Conventions and other relevant ILO Conventions.

Criterion 10.1: Freedom of association and right to collective bargaining

The Company shall respect the rights of workers, as set forth in local law, to associate freely, join or not join labour unions, seek representation and join workers' councils, in line with the ILO Conventions C87 and C98.

Criterion 10.2: Child labour

The Company shall neither use nor support the use of child labour as defined in ILO Conventions C138 and C182, and shall comply with related national and international law.

Criterion 10.3: Forced or compulsory labour

The Company shall neither engage in nor support the use of forced or compulsory labour as defined in ILO Conventions C29 and C105.

Criterion 10.4: Non-Discrimination

The Company shall ensure equal opportunities and shall not engage in or support discrimination in hiring, salary, promotion, training, advancement opportunities or termination of any worker on the basis of gender, race, national or social origin, religion, disability, political affiliation, sexual orientation, marital status, family responsibilities, age, or any other condition that could give rise to discrimination, in line with ILO Conventions C100 and C111. Where targets are mandated by local legislation or law that requires positive discrimination in favour of local residents, indigenous peoples, or individuals who have been historically disadvantaged, these may not be regarded as discrimination.

Criterion 10.5: Communication and engagement

The Company shall ensure open communication and direct engagement with workers to resolve workplace and compensation issues. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.

Criterion 10.6: Disciplinary practices

The Company shall neither engage in nor tolerate the use of corporal punishment, mental or physical coercion, harassment, and gender-based violence including sexual harassment, or verbal abuse of personnel.

Criterion 10.7: Remuneration

The Company shall respect the rights of personnel to a living wage and ensure that wages paid for a normal working week shall always meet at least a legal or industry minimum standard and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

Criterion 10.8: Working Time

The Company shall comply with applicable law and industry standards on working time (including over-time working hours), public holidays and paid annual leave.

11. OCCUPATIONAL HEALTH AND SAFETY

Principle: The Company shall provide safe and healthy working conditions for all employees and contractors.

Criterion 11.1: Occupational Health and Safety (OH&S) policy.

The Company shall implement and maintain an OH&S policy. This policy shall apply to all workers present in any area under company control. The policy shall recognise workers' health and safety rights in accordance with all relevant international standards, and in particular ILO Conventions on occupational health and safety such as ILO Convention 155 and 176.

Criterion 11.2: OH&S management system.

The Company shall have a documented occupational health and safety management system that is compliant with applicable national and international standards.

Criterion 11.3: Employee engagement on health and safety.

The Company shall provide employees with a mechanism, such as a joint health and safety committee, by which they can raise and discuss occupational health and safety issues with management.

Criterion 11.4: OH&S performance.

The Company shall evaluate its OH&S performance, compare this with peers and best practices and strive to continuously improve.



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Glossary

GLOSSARY

| Term | Criterion # | Definition | Reference |
|-------------------------|-------------|--|--|
| Affected community | 9.5 | Local communities that are subject to risks or impacts from a project. | International Finance Corporation's Policy and Performance Standards Glossary (2012): http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/ |
| Alien species | 8.4 | A species, subspecies or lower taxon, introduced outside its natural past or present distribution; includes any part, gametes, seeds, eggs, or propagules of such species that might survive and subsequently reproduce. | Convention on Biological Diversity Secretariat (2002) Decision VI/23: Alien species that threaten ecosystems, habitats and species. Document UNEP/CBD/COP/6/23. (last accessed online July 2014): http://terms.biodiversitya-z.org/terms/16 |
| Aluminium process scrap | 4.4 | Material that is reclaimed from any step of aluminium processing, in which the material has not been intentionally produced, is unfit for end-use and/or not capable of being re-used in the same process that generated it. | Adapted from European Aluminium Association Recycling terminology (last accessed online July 2014): http://www.alueurope.eu/recycling2/terminology/ |
| Corruption | 1.2 | The abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs. | Transparency International, The Anti-Corruption Plain Language Guide, 2009, pg 14. http://files.transparency.org/content/download/84/335/file/2009_TIPainLanguageGuide_EN.pdf |
| Emissions to air | 6.1 | Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the reporting organization's operations. | GRI G4: Implementation Manual, 2013, pg 119-120. https://www.globalreporting.org/resource/library/GRIG4-Part2-Implementation-Manual.pdf |

| Term | Criterion # | Definition | Reference |
|------------------------------------|-------------|--|---|
| Hazardous and non-hazardous waste | 6.5 | <p>Hazardous waste: as defined by national legislation at the point of generation.</p> <p>Treated waste deemed hazardous under the terms of the Basel Convention² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</p> <p>Non-hazardous waste: all other forms of solid or liquid waste, excluding wastewater.</p> | <p>GRI G4: Implementation Manual, 2013, pg 121, 123.</p> <p>https://www.globalreporting.org/resource/library/GRI-G4-Part2-Implementation-Manual.pdf</p> |
| Management representative | 2.2 | <p>A member of senior management personnel appointed by the company to ensure that the requirements of the standard are met.</p> | <p>Social Accountability International, SA8000: 2008, pg 5.</p> <p>http://www.sa-intl.org/_data/n_0001/resources/live/2008StdEnglishFinal.pdf</p> |
| Mitigation hierarchy | 8.2 | <p>A tool which aims to help manage biodiversity risk, and is commonly applied in Environmental Impact Assessments (EIAs). (Includes a hierarchy of steps: Avoidance, Minimisation, Rehabilitation, Restoration and Offset).</p> | <p>Adapted from Mitigation Hierarchy. Business and Biodiversity Offsets Programme & United Nations Environment Programme (last accessed online July 2014):</p> <p>http://terms.biodiversitya-z.org/terms/9#fnr1</p> |
| No Go in World Heritage properties | 8.3 | <p>International Council on Mining and Metals (ICMM) Commitment number 2 on mining and protected areas:</p> <p>ICMM Company Members commit to...“not explore or mine in World Heritage properties. All possible steps will be taken to ensure that existing operations in World Heritage properties as well as existing and future operations adjacent to World Heritage properties are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.”</p> | <p>ICMM Position Statement: Mining and Protected Areas, 2003, pg 2.</p> <p>http://www.icmm.com/document/43</p> |



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For more information contact:

Business and Biodiversity Programme
International Union for Conservation of Nature
+41 22 999 0000
biobiz@iucn.org
www.aluminium-stewardship.org