

ASI Standards Committee

Teleconference Minutes

29 June 2020

Antitrust Compliance Policy

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

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



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	Lead
1	<ul style="list-style-type: none">a. Welcomeb. Introduction & Apologiesc. Documents Circulatedd. Previous Minutese. Declarations of Potential Conflicts/Dutyf. Log of Actionsg. Progress/Status Update	Chair
2	Standards Revision TOR Consultation	ASI
3	Harmonisation updates to elementAI	ASI
4	Supply Chain Applicability for Material Conversion/Other Manufacturing	ASI
5	Review changes to Standard for Principle 2	ASI
6	Review changes to Standard for Principle 4	ASI
7	<ul style="list-style-type: none">a. Agreed upon actions for Committee membersb. Agreed upon actions for the Secretariatc. Close	Chair

1a,b Welcome, Introduction & Apologies

a) Welcome

b) **Chair:** Rosa Garcia Pineiro (Alcoa)

Attendees: Abu Karimu (Settle Ghana), Alexander Leutwiler (Nespresso), Annemarie Goedmakers (Chimbo), Anthony Schoedel (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Guilia Carbone (IUCN), Hugo Rainey (WCS), Jessica Sanderson (Novelis), Jostein Soreide (Hydro), Kendyl Salcito (Nomogaia), Marcel Pfitzer (Daimler), Michael Frosch (BMW), Nicholas Barla (IPAF), Steinunn Steinson (Nordural), Stefan Rohrmus (Schueco), Tina Bjornestal (Tetrapak).

ASI: Cameron Jones, Camille La Dornat, Kamal Ahmed, Krista West, Marieke van der Mijn

Apologies: Gina Castelain (IPAF), Justus Kammueller (WWF), Louis Biswane (KLIM), Maria Lee (WOCAN), Neill Wilkins (IHRB), Samir Whitaker (FFI).

Invitees: Mark Annandale (University of Sunshine Coast, IPAF Support)

1 – Discussion

1. There was a question on the recent news about the destruction of an 46,000-year-old Aboriginal site by Rio Tinto in the Pilbara region in Western Australia to expand the Brockman 4 iron ore mine.
2. **Action item: ASI Secretariat to seek input from RTA.**

1c Documents Circulated

d) Documents Circulated

1. ASI SC Teleconference 29Jun20
2. ASI SC Teleconference Minutes v2 04Jun20
3. Summary of Post 2017 Launch Log of Suggestions and Changes
4. Revision Workplan Planning Document 23Jun20
5. Log of ASI 2020 Standards Revision TOR Feedback and Responses
6. Principle 2 TC
7. Principle 4 TC
8. ASI - SCMemberApptProxyForm 29June20
9. ASI –SCMemberAlternateForm 29Jun20
10. ASI SBHWG Teleconference Meeting Minutes 18Mar20
11. ASI HRWG Teleconference Meeting Minutes 12May20
12. ASI GHGWG Teleconference Meeting Minutes 22May20

1d,e Previous Minutes

d) Previous meeting minutes draft

Minutes from the 4 June 2020 ACCEPTED

- Minutes will be published on the ASI website.

e) Potential Conflicts of Interest/Duty

- Review of Governance Handbook
- Any actual, potential or perceived conflicts to raise for discussion?

1e Conflicts of Interest/Duty

- Section 9 and Appendix 3 of the ASI Governance Handbook v2

A person has a “conflict of interest” where some or all of the interests of that person are inconsistent with, or diverge from, some or all of the interests of ASI, such that there is a conflict, or a real possibility of a conflict, between the competing interest and the interests of ASI which may adversely affect the person’s ability to act in good faith.

1e Conflicts of Interest/Duty

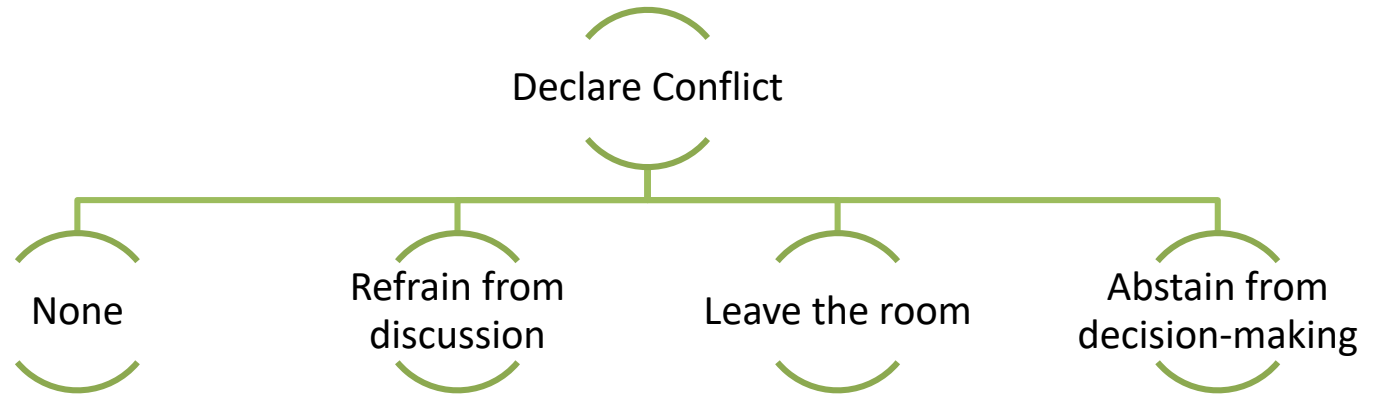
- Section 9 of the ASI Governance Handbook v2

- ✓ Standards Committee members play an important role on behalf of *all* ASI members.
- ✓ The purpose of being a Standards Committee member is not to advance the interests of only your own organisation without regard to the interests of others, but to seek net benefit for all stakeholders of ASI.
- ✓ It is recognized that the parties in ASI come to these discussions from a variety of backgrounds and perspectives and the intent is not to stifle the breadth and depth of the discussion, however it is integral that all relevant interests are disclosed and, if necessary, mitigated
- ✓ Conflicts can't always be avoided and aren't necessarily a problem if they are managed

1e Conflicts of Interest/Duty

- Section 9 of the ASI Governance Handbook v2

- Remedial actions are decided by the SC as a group
- Remedial actions are recorded in the minutes
- If necessary the ASI Secretariat can maintain a list of declared conflicts and actions that can be distributed prior to each meeting



1 – Discussion

1. A potential conflict of interest was declared by a Standards Committee member regarding the fourth action item on the agenda; Supply Chain Applicability for Material Conversion/Other Manufacturing. The Standards Committee member declared to not vote for anything that relates to this agenda item because their organization has a strong internal position on that item.
2. There was some discussion on what constitutes a Conflict of Interest. Other Standards Committee members said that their companies are also impacted by these discussions and it was asked if they should also refrain from these discussions. ASI responded that the objective is to have as many perspectives as possible raised, while maintaining transparency of potential conflicts. It was clarified that it is important to *declare* the conflict; there might not be any potential actions from declaring the conflict of interest and the Standards Committee can decide to continue with the discussion. If it is a barrier to the discussion, *then* appropriate action can be taken.
3. In this case it was decided that the Standards Committee member can still participate in the discussion and if additional action is needed it can be determined at a later date.
4. It was additionally stated that Standards Committee members act in the interest of ASI as a whole; we acknowledge that ASI decisions may affect Committee members. There is a possible conflict of interest if there is a problem if the Committee member cannot act in the interest of ASI in the decision-making process.

1f Log of Actions

#	Meeting	Subject	Action	Assigned to:	Due Date	Status
164	04Jun20	SBH Log	ASI Secretariat to distribute the Standards Benchmarking and Harmonisation log with the Standards Committee.	Secretariat	29June20	Closed - Shared with minutes
163	04Jun20	Audit effort	ASI Secretariat to review options relating to auditing procedures and 'level of effort', leveraging off the ASI Interim Policy on Covid-affected audits and existing guidance in the Assurance Manual and the work of the Human Rights Working Group on risk-based approaches to audit level of effort.	Secretariat	29June20	Closed this meeting
162	22Apr20	Criterion 1.1 Guidance	One member agreed to draft some language for the Guidance for Criteria 1.1 on 'maintaining awareness of applicable law'.	Member	15May20	Closed – changes made to assurance manual

1g Progress/Status Update

Revision Workplan Planning Document 23Jun20
Summary of Post 2017 Launch Log of Suggestions and Comments

- A schedule for reviewing all relevant documents is set out in the workplan circulated. We are slightly behind where we had planned to be and the plan had been adjusted for the last meeting.
 - Propose an intensive week of meetings October 19-22: 4 meetings of 2 hours each at the regular time.
- All items are being closely tracked in the log which is distributed each meeting. Log is the accumulated input and learnings from 2.5 years of implementation with entries by companies, the Secretariat, stakeholders and auditors. It is informed by conversations, oversight, feedback interviews with companies and auditors, learnings of best practices, M&E...essentially every activity of ASI.

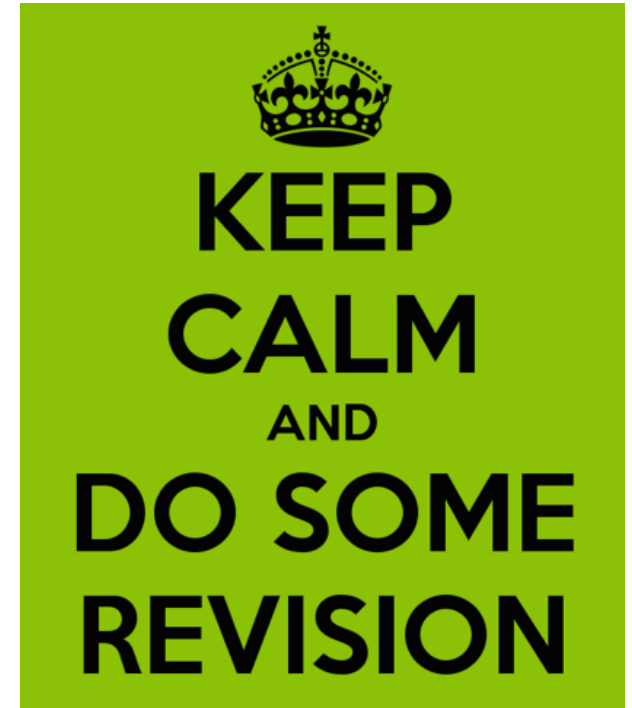


1 – Discussion

1. Some Standards Committee members are on leave on the dates suggested.
2. It was agreed to schedule additional meetings on October 12, 13 and 14 and October 20.

2 Standard Revision Terms of Reference

- Log of ASI 2020 Standards Revision TOR Feedback and Responses
- We received comments from 6 organizations, 4 of which are ASI members (log distributed in advance of this meeting)
- ASI is seeking input on two of the comments from the Standards Committee today (see next slide)
- ASI will finalize the TOR this week and publish/distribute it and log of comments and responses
- Once finalized the TOR will govern the scope and timelines for the revision.



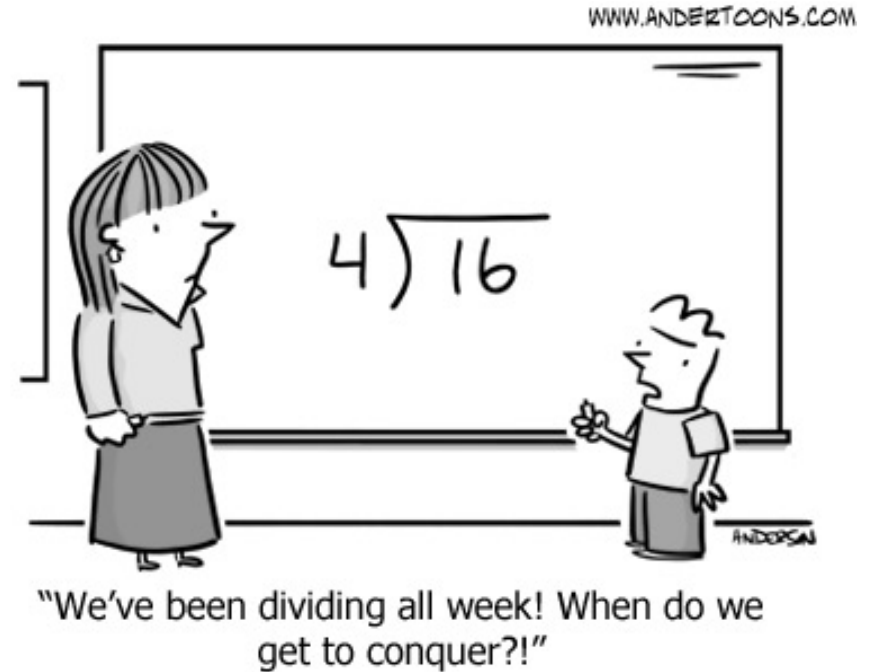
2 Standard Revision Terms of Reference

- Log of ASI 2020 Standards Revision TOR Feedback and Responses

We are seeking input on two suggestions:

1. ASI should consider doing the revision in two part – 3 documents this year and 3 in 2021.
 - We feel this creates greater complication as we need to do twice the work consulting and running the process
 - Logistically the documents and separating them out creates complications of its own

Recommend no change to the TOR.



2 Standard Revision Terms of Reference

- Log of ASI 2020 Standards Revision TOR Feedback and Responses

2. Time and opportunity for input from industry is insufficient given the degree of required/anticipated change. Particularly for intent over change in standards for GHGs and Biodiversity.
 - Perspective is that 2 years (one years of drafting and one year of consultation/revision) is a sufficient time and any longer will also have a negative impact in stakeholder fatigue and disengagement.
 - Engagement to date has been excellent, perhaps better than pre-COVID due to folks not travelling
 - Additional delay will impact timelines for implementation of long-awaited changes to the biodiversity and ecosystem services Criteria.

Recommend no change to the TOR and ongoing monitoring of stakeholder's ability to engage.

2 – Discussion

1. The Standards Committee noted that the Secretariat has put together a very good summary and ample time and space has been given for the Standards Revision process. All the documents are related so to separate them does not make sense.
2. The Standards Committee and Secretariat monitor the timelines closely to make sure there is enough time for discussion. It was also said that the final decisions will not be made until the end of 2021 so there is still enough time for in-depth discussion.
3. **The recommendations from the Secretariat were agreed by the Standards Committee.**

3 Updates to Table 3 Harmonisation

The Standards Benchmarking and Harmonisation Working Group recommends:

- 1) Removing ISO 14001:2004 version and adding ISO 14001:2015 in the harmonisation table as ISO 14001:2004 is no longer an active certification.
 - This change would be reflected in elementAl immediately if approved by the Standards Committee.
 - 2) Adding ISO 45001:2018 as a replacement for OHSAS 18001:2007.
 - As both ISO 45001:2018 and OHSAS 18001:2007 are both currently valid both will be kept in elementAl until OHSAS becomes inactive in March 2021, at which point OHSAS 18001:2007 will be removed from elementAl.
- Both these changes will be reflected in the next draft of the Assurance Manual

3 – Discussion

1. The proposed changes were agreed by the Standards Committee.

4 Supply Chain Applicability and Implementation

Option 1: Propose that we keep the status quo for Criterion Applicability for both Material Conversion and Other Manufacturing.

- This allows downstream companies flexibility in determining the degree to which they engage in ASI while addressing the concerns that the Standard may be too onerous for downstream companies and disincentivize their participation in certification.



4 Supply Chain Applicability and Implementation

Criterion Applicability Option 1

- With the ASI Constitution update in late 2019 and the subsequent Interim Policy introduced by the Board, currently members with Material Conversion Facilities have the choice to certify to either the entire Standard or just Principle 4. The applicability for the yellow boxes follow the current Standard for Material Conversion (Production & Transformation) – Principle 6 shown as example.

Supply chain activity	Applicability of Performance Standard Criteria							
	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8
Bauxite Mining								
Alumina Refining								
Aluminium Smelting								
Aluminium Re-melting/Refining								
Casthouses								
Semi-Fabrication								
Material Conversion								
Other manufacturing or sale of products containing Aluminium								

Code:

Criteria shaded **green** are generally applicable to those supply chain activities, where they are within the Certification Scope of the Entity. Criteria shaded **yellow** are optional for the supply chain activities indicated.

4 Supply Chain Applicability and Implementation

Option 2: Propose that all certified Material Conversion Facilities have to follow the current Criterion applicability guidelines for Material Conversion (Production and Transformation).

- This addresses concerns raised that the ASI system puts the burden on upstream producers while the downstream gets benefits with very little investment.
- **Should Other Manufacturing be the same?**



4 Supply Chain Applicability and Implementation

Criterion Applicability Option 2

Supply chain activity	Applicability of Performance Standard Criteria							
	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8
Bauxite Mining								
Alumina Refining								
Aluminium Smelting								
Aluminium Re-melting/Refining								
Casthouses								
Semi-Fabrication								
Material Conversion (Production and Transformation)								
Material Conversion (Industrial Users)								
Other manufacturing or sale of products containing Aluminium								

Supply chain activity	Applicability of Performance Standard Criteria							
	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8
Bauxite Mining								
Alumina Refining								
Aluminium Smelting								
Aluminium Re-melting/Refining								
Casthouses								
Semi-Fabrication								
Material Conversion								
Other manufacturing or sale of products containing Aluminium								

Code:

Criteria shaded green are generally applicable to those supply chain activities, where they are within the Certification Scope of the Entity.

4 Supply Chain Applicability and Implementation

Definitions:

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.

4 Supply Chain Applicability and Implementation

Last meeting it was left with goal of looking at harmonisation and audit effort



The Log of recognized external Standards and Schemes and those that have been identified was distributed with the minutes of the last meeting



Audit level of effort is discussed in the next few slides

4 Supply Chain Applicability and Implementation

Change to Assurance Estimated Audit Time (log item 56 & 61)

Current Wording:

Table 12: Guidance to estimate the on-site time (person days) for Certification Audits

Number of Personnel working in Facilities included in the Certification Scope ¹	Low Overall Maturity Rating	Medium Overall Maturity Rating	High Overall Maturity Rating	Performance Standard: Material Stewardship Criteria only
1-25	1.5-2	1-1.5	1	0.5-1
25-100	2.5-3	2-2.5	2	1-1.5
100-500	3.5-4	3-3.5	3	1.5-2
500-1000	5-6	4-5	4	1.5-2
1000-5000	8-10	6-8	5-6	2-3
5000-10000	10-15	8-10	6-8	2-3
>10000	>15	10-15	7-10	3-4

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

4 Supply Chain Applicability and Implementation

Change to Assurance Manual Definitions (log item 56 & 61)

Proposed Wording:

Table 12: Guidance to estimate the on-site time (person days) for Certification Audits

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

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

4 Supply Chain Applicability and Implementation

Change to Assurance Manual Definitions (log item 56 & 61) recommended by the HRWG

Proposed Wording:

Table 12: Guidance to estimate the on-site time (person days) for Certification Audits

Minimum additional time to be added to the Performance Standard Certification Audits on-site time in the following situations:

Situation	Specific Detail	Additional on-site time (days)
Interviews with external stakeholders	Indigenous Peoples	0.25 -0.5
	Local community, 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/data/)	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

- This item hasn't been discussed with IPAF yet

4 Supply Chain Applicability and Implementation

Change to Assurance Manual Definitions (log item 56 & 61) recommended by the HRWG

Proposed Wording:

Table 12: Guidance to estimate the on-site time (person days) for Certification Audits

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.

- This item hasn't been discussed with IPAF yet

4 Supply Chain Applicability and Implementation

Change to Assurance Manual Definitions (log item 56 & 61)

Proposed Wording:

Table 20: Guidance to estimate multi-site sampling

Number of like Facilities	Initial Certification Audit in addition to head office	Surveillance Audit	Recertification 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

4 Supply Chain Applicability and Implementation

It is expected that central head office will normally be visited during the Audit to ensure the Management Systems is well understood. Table 20 does 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 (re-)Certification Audit
- Maturity of the Management System and knowledge of the organisation
- Social, including human rights and gender, environmental and 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.

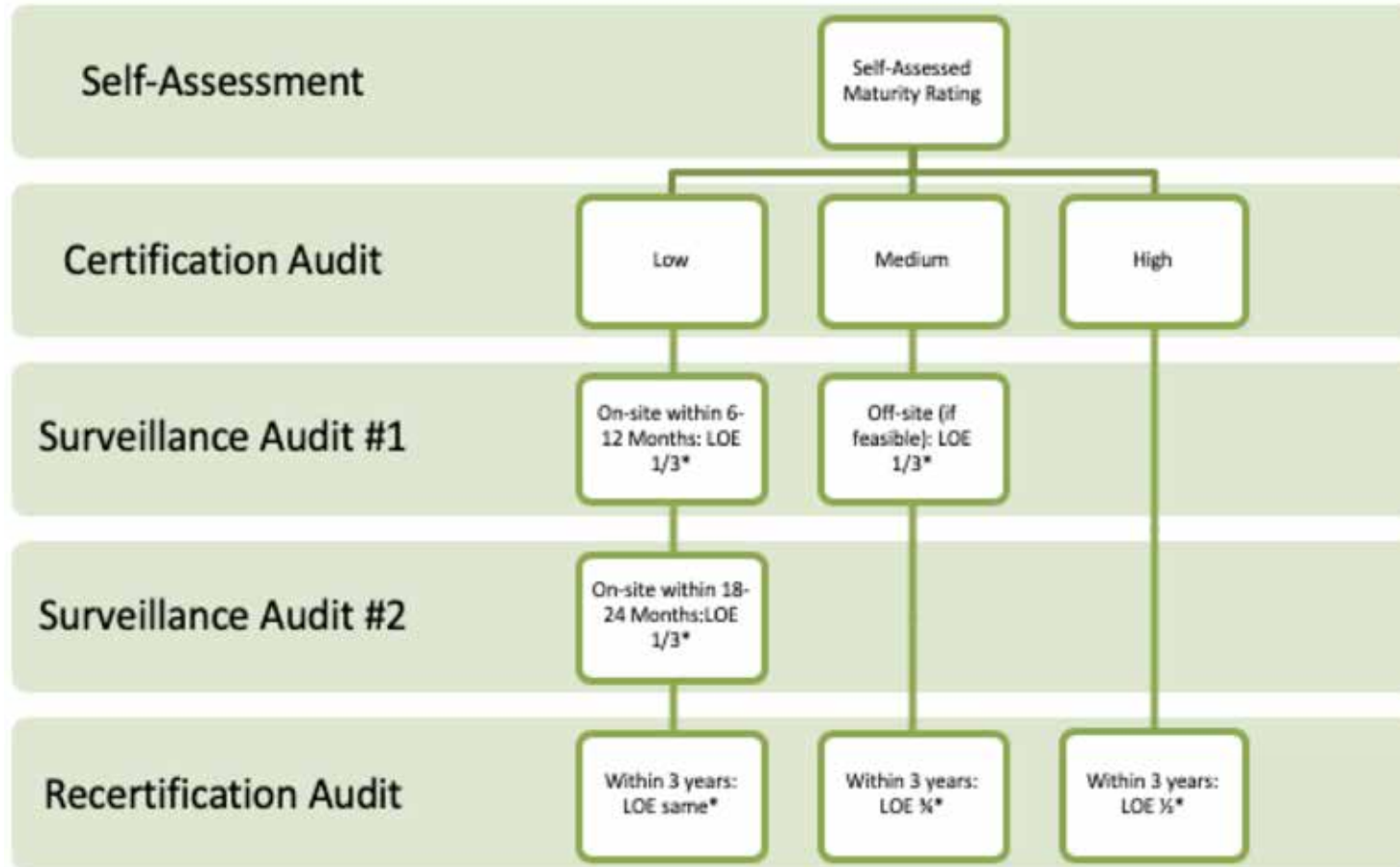
4 Supply Chain Applicability and Implementation

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.

Remote auditing is an option according to the following table:

[illegible]

4 Supply Chain Applicability and Implementation



4 Supply Chain Applicability and Implementation

Option 1: Propose that we keep the status quo for Criterion Applicability for both Material Conversion and Other Manufacturing.

Option 2: Propose that all certified Material Conversion Facilities have to follow the current Criterion applicability guidelines for Material Conversion (Production and Transformation).



4 – Discussion

1. There was a question whether the Assurance Manual is going to be revisited, and the answer was yes.
2. There was a question on the table on slide 31 (the minimum additional time to be added to the Performance Standard Certification Audits on-site time in the following situations). A situation of high biodiversity values should also be added to the list in this table. This will be added to the log.
3. It was said that these two issues we are discussing now are interrelated. It was agreed to start with the discussion on Criterion Applicability for Material Conversion first (slide 37).
4. The concern is that the integrity of ASI can be questioned if not all Entities need to show the same level of conformance.
5. Has ASI received any complaints or problems that Material Conversion companies can choose whether to do the whole PS or just PS 4 (Material Stewardship)? ASI has not received any complaints on this, however it has been questioned by several stakeholders. A few companies commented that starting with PS 4 is a good entry for them into the ASI system and they can then look into doing the whole Standard later.
6. A worry was expressed that as ASI grows, outsiders will question that certain companies can ‘pick and choose’ what applies to them and see this as a weakness.

4 – Discussion continued

7. One member proposed a third option; the first time that companies get certified they can choose whether to do the whole PS or just PS 4, the second time they must do the whole PS.
8. Another option that was put forward: what if we include an incremental adoption for the standard: Principle 1-3 + 4 as a first step, and then companies do the rest. There is not a huge amount of audit level of effort for the Criteria 1-4 and it can predominantly be done remotely.
9. There was a question what the timeline would be for phasing in the rest of the Performance Standard? Would this be by the next Standards Revision? It was said that the three-year certification period would be a better cycle; if we step out of that it could get a little bit awkward.
10. Step-wise approaches are also being used in other voluntary certification standards.
11. A question was asked why we are making changes from the current system. The ASI constitution previously said for that Material Conversion – Industrial User members only PS 4 applies, and for Material Conversion Production & Transformation members the whole PS applies. It was agreed by the Board that this does not make sense as it is not a governance topic but a standards-related topic, and therefore this has been taken out of the constitution and brought back to the Standards Committee for discussion and decision.
12. Another SC participant agreed that it looks strange if a company gets the same certificate but only a small portion of the Standard has been assessed. A preference was given for the third option (a phased approach), and not give companies a choice.
13. Another SC participant agreed with this. There can be a lot of misunderstandings if a company receives the same certification but has done something different.

4 – Discussion continued

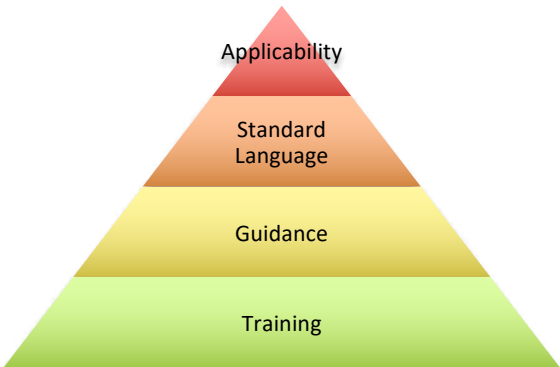
14. The Secretariat put forward the proposal to put Option 2 out for public consultation and depending on the feedback we get we can either move forward with the stepped approach or something else.
15. It was said that this sounds like the decision-making then relies too much on stakeholder input; we shouldn't let the stakeholders decide on this. It was explained that the public does not have the final say, the final decision always lies with the Standards Committee, the objective was to get additional input.
16. Another preference for the phased ('step-wise') approach was put forward; it is important for ASI to get downstream companies interested in our certification program and that is easier if we adopt a phased approach. We can make it obligatory; then after three years companies must do the whole Standard.
17. It was clarified that this would apply to all Material Conversion members (P&T and IU).
18. There was a comment that we may have to consider a 'grandfathering' clause; current Industrial User members joined by agreeing to PS 4 only and we would need to give them on a grace period.
19. When this is sent out for public consultation, do we leave it open what is required at each step in the phased approach or not? The Secretariat recommends to put a clear suggestion out for public consultation; probably that the first step is to do PS 1-4, and step 2 would be to do the whole PS 1-11.
20. **It was agreed that the Secretariat makes a proposal of a phased approach at the next meeting and a decision will be made then on wording to put forward for public consultation.**

5 Changes to Principle 2

Excerpt from Principle 2 TC, page 10

Changes to Criteria 2.10 Closure, Decommissioning and Divestment (log items 153b) recommended by the Human Rights Working Group

2.10 Closure, Decommissioning and Divestment. The Entity shall review environmental, social and governance issues in the planning process for closure, decommissioning and divestment **and consultatively develop a program for managing significant impacts, including legacy impacts, on Identified Populations incumbent with such changes.**



This Criterion applies to all facilities in the aluminum supply chain.
Consultatively developing a program for managing impacts is a new normative requirement.
Additional guidance for implementation moved to Guidance

5 – Discussion


1. There was a question on the word ‘incumbent’ and how this translates; do non-native English speakers know what this means? Even for native English speakers the meaning of the word is not always clear. It is understood that it means ‘affected’ or ‘current’ or ‘existing’?
2. It was discussed before that we should choose wording that is clear to everybody.
3. There was a comment that environmental groups/nature conservationists that speak on behalf of nature should also be included in the proposed text.
4. There was some discussion on the wording and word order of the proposed text.
5. Legacy impacts has not been defined yet. It means any impacts since the operation began.
6. It was said that this program should be aimed at all stakeholders.
7. It was said that the scope of consultation is specific to decommissioning.
8. It was explained that the language here is to say that when closure/decommissioning/divestment occurs, the people affected by closure/decommissioning/divestment are consulted in the impact management.
9. **The intent of the proposed change was agreed subject to some ‘wordsmithing’. The updated text will be shared with the Standards Committee for the next meeting.**

5 Criterion 2.8 Suspended Operations

Original HRWG Proposal to Standards Committee:

2.8 Suspended Operations Where a company has to suspend or significantly alter its operations through factors outside its control, such as a conflict, pandemic or natural disaster, the company shall:

- a. Ensure any business resilience plans take into account significant adverse environmental, social (including human rights) and governance impacts which could relate to such a situation in the short and long term;
- b. To the extent possible keep engaging with the Identified Populations, ensuring to consider gender specific needs, to ensure that the company is not exacerbating any significant issues by its actions or omissions;
- c. Continue to meet its commitments around human rights remediation, including providing for or cooperating in remediation where it identifies it has caused or contributed to adverse human rights impacts.

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- Standard Committee felt that the new Criterion wasn't aligned with Principle 2, which is focused on 'Policies and Management'.
 - Standard language around Entity/Facility.
 - The 'how' is moved to Guidance.

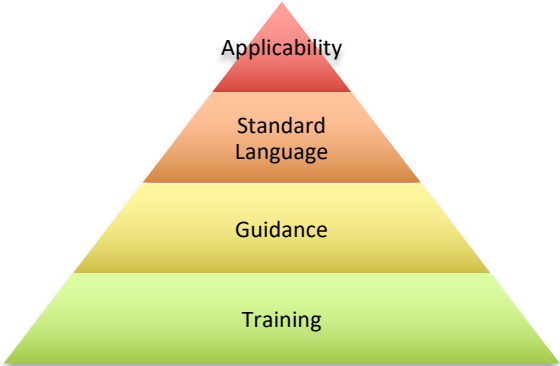
5 Criterion 2.8 Suspended Operations

Changes to Criterion 2.8 Suspended Operations (log item 225) recommended by the Human Rights Working Group:

- 2.8 Suspended Operations** a)The entity shall develop a business resilience plan which takes into account significant adverse environmental, social and governance impacts to address situations where it may have to suspend or significantly alter operations through factors outside its control, such as a conflict, pandemic or natural disaster.
- b) The Entity shall regularly review the effectiveness of the business resilience plans and, where required, identify and implement improvements.

Guidance:

- a. To the extent possible, keep engaging with the Identified Populations, ensuring to consider gender specific needs, to ensure that the company is not exacerbating any significant issues by its actions or omissions.
- b. Continue to meet its commitments around human rights remediation, including providing for or cooperating in remediation where it identifies it has caused or contributed to adverse human rights impacts.



This Criterion applies to all facilities in the aluminum supply chain.
Normative requirements were kept in the Criterion to address legacy issues
Please pass along any suggested examples or guidance for implementation across the supply chain or relative to geography or social conditions.

5 – Discussion

1. There was agreement on the changes to the Criterion.
2. As mentioned during the previous discussion on Criterion 2.10, environmental NGOs should be added here as well.
3. The proposed changes were agreed depending on adding some additional wording on biodiversity.

5 Criterion 2.9 Mergers and Acquisitions

HRWG Proposal to Standards Committee:

2.9 Mergers and Acquisitions The Entity shall review environmental, social and governance issues in the Due Diligence process for mergers and acquisitions. For mergers and acquisitions of Bauxite Mines, Alumina Refineries and Aluminium Smelters, the Entity shall share information regarding the operation and its potential impacts with Identified Populations. In consultation with Identified Populations, the Entity shall develop an impact mitigation plan to mitigate any identified significant impacts. Progress against the impact mitigation plan shall be shared with Identified Populations annually.

- Standard Committee (SC) raised concerns with competition law that governs mergers and acquisitions and that the new suggested language did not address legacy issues specifically.

Changes to Criterion 2.8 Suspended Operations (log item 153b) recommended by the Human Rights Working Group:

2.9 Mergers and Acquisitions

- Due Diligence: The Entity shall review environmental, social and governance issues, including those associated with Historic Aluminium Operations, in the Due Diligence process for mergers and acquisitions.
- Post-Merger or -Acquisition: For successful mergers and acquisitions of Bauxite Mines, Alumina Refineries and Aluminium Smelters, the Entity shall share information regarding the ~~operation and its potential impacts~~ significant impacts of Historic Aluminium Operations and in consultation with Identified Populations, the Entity shall develop an impact mitigation plan to address mitigate any identified significant impacts of the Historic Aluminium Operation. Progress against the impact mitigation plan shall be shared with Identified Populations annually.

*proposed language on new Criterion must still be reviewed by IPAF

5 Changes to Principle 2



This Criterion applies to all facilities in the aluminum supply chain.

Normative requirements for sharing information and consultation were added to the Criterion to address legacy issues

Please pass along any suggested examples or guidance for implementation across the supply chain or relative to geography or social conditions.

5 – Discussion

1. The same point was raised as during the previous discussion; Identified Populations should also include environmental NGOs.
2. There were some discussion whether to use 'identified' or 'affected Populations'. 'Identified' includes environmental NGOs, 'affected' does not. NGOs are also not populations. It was said that the HRWG has done a lot of work already on finding the right wording.
3. **The Committee discussed new wording and the Criterion as presented was agreed to use with the use of 'affected Populations and organizations' instead of 'identified populations'.**
4. There was a question what Historic Aluminium Organisations are. This has not been defined yet but will be defined later; it will relate to the historic impacts of a facility.

7a,b,c Agreed Upon Actions & Close

- a. Agree any final post-meeting actions and timeframes by Committee members
- b. Agree actions by Secretariat
 - ASI Secretariat to seek input from RTA on the recent news about the destruction of an 46,000-year-old Aboriginal site in the Pilbara region in Western Australia to expand the Brockman 4 iron ore mine.
- c. Chairs and Secretariat thanks to all participants and close of meeting

Next Meeting – Teleconference July 29th

Thank you