

ASI Standards Committee

Teleconference Minutes

20 October 2021

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		Time	Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions	5	Chair
2				
3	Presentation from Stuart Anstee		30	Stuart
4	Principle 8 (Stuart present)		30	ASI - Krista
5	David Wong available for questions on GHG Report		10	ASI - Krista
6	Principle 5 (David present)		30	ASI - Krista
7	Criterion 9.7 – local communities		5	ASI- Krista
8	Principle 9 time pending			
9	Principle 10 time pending			
10	a. Agreed upon actions for Committee members	b. Agreed upon actions for the Secretariat c. Close	5	Chair

1a,b Welcome, Introduction & Apologies

a) Welcome

b) **Chair:** Kendyl Salcito (Nomogaia),

Attendees: Annemarie Goedmakers (Chimbo Foundation), Anthony Tufour (Arconic), Catherine Athenes (Constellium), Gesa Jauck (Trimet), Jostein Søreide (Hydro), Justus Kammüller (WWF), Marcel Pfitzer (Daimler), Neill Wilkins (IHRB), Rosa Garcia Pineiro (Alcoa), Steinunn Steinsson (Nordural), Tina Bjornestal (Tetra Pak), Warrick Jordan (Job Hunters).

ASI: Cameron Jones, Chris Bayliss, Krista West, Laura Brunello, Olaf Kattenpoel

Apologies: Abu Karimu (Settle Ghana), Gina Castelain (IPAF), Hugo Rainey (WCS), Louis Biswane (KLIM), Marie-Josée Artist (IPAF), Nadine Schaefelberger (Ronal Group), Nicholas Barla (IPAF), Robeliza Halip (IPAF), Samir Whitaker (FFI), Stefan Rohrmus (Schueco).

Alternatives: Judith Pietschman for Nadine Schaefelberger (Ronal Group).

Proxies: Guests: Stuart Anstee, David Wong

*note that Jessica Sanderson has left Novelis and thus there is a vacant seat.

1c,d Objectives & Documents Circulated

c) Objectives

1. Adopt minutes of the previous meeting
2. Agree to direction on Principles for Performance Standard 5 & 8 as well as Criterion 9.7

d) Documents Circulated

1. ASI SC Teleconference 20Oct21
2. ASI SC Teleconference Minutes 06Oct21
3. For SC PUBLIC Round 1 Consultation Log of Input April21
4. P5 Guidance DRAFT TC
5. P5 Guidance DRAFT Clean
6. P8 Guidance DRAFT
7. Disclosure of Conflicts of Interest/Duty
8. ASI - SCMemberApptProxyForm 20Oct21
9. ASI –SCMemberAlternateForm 20Oct21

1c,d Objectives & Documents Circulated

- A participant expressed concern and unease regarding changes made to the CoC Standard criteria related to traders and was surprised that there isn't a system to discuss it within the SC. The member stated that the Committee needs to be aware of the changes made, it isn't 'merely' a technical document. Additional concerns were raised with the changes to GHG Criteria.
- Chair: Secretariat proposed as changes only those proposed actions of the spreadsheet distributed during the summer.
- Secretariat responded: Traders were actually already included – this is not a new addition. Another meeting can't be planned regarding this: timeline and resources too tight. It was noted that the SC needs to be mindful that this is not the final draft, and there can be some time provided during the 2nd consultation period to address these issues.

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

e) Approval of Previous meeting minutes draft: 06 October 2021 will be published on the ASI website.

- Version 2 of the 06 October 2021 were approved.

f) Conflicts of Interest/Duty

Disclosure sent with meeting package

1g Log of Actions

g) Log of Meeting Actions open or closed since last meeting.

Meeting where Action was Identified	Assigned To	Action	Date Due
24Mar2021	Secretariat	Ensure that there is time to be dedicated to discussing the Theory of Change and M&E program post-revision.	Post-revision
15Sep2021	Secretariat	Include 2020 AECOM Impartiality Review as agenda item for discussion.	Early 2022
15Sep2021	Secretariat	'Horizon Issues' (from the ASI August Newsletter) to be put on the agenda and ASI will present the origin and context of this piece of work.	Early 2022

2 SMEWG Update

- Changes to documents emerging from SMEWG discussions:
 - Evidence: documentary & non-documentary routes
 - Non-normative Guidance, all normative into Criteria
 - Sustainability reporting PS Principle 3 – flexibility and accessibility of information. Focus on transparency/disclosure over structure of report.
 - Distinguishing between public and private water supplies under Principle 7
- Post-revision work plan (launched Q2 2022)
 - Broad risk assessment tool (cross-thematic)
 - Approaches to policy development (legal compliance and ASI expectations)
 - Thematic templates (for Entity archetypes)
 - Applicable law, responsibilities and actions
 - Public disclosure (GHG, water, HR etc, from Criteria)
 - Grievance mechanisms
 - Other (HRDD, material stewardship, responsible sourcing)

3 Presentation on Biodiversity Topics

- This report is in response to the SC request for further study on select topics.
- Report was distributed in advance of the meeting.
- Report will be published on the ASI website (<https://aluminium-stewardship.org/why-aluminium/outcome-impact-evaluations/>) in the following weeks.

3 Presentation on Biodiversity Study

Analysis of implementation of Biodiversity Assessment and Management by ASI Certified Entities



3 Presentation on Biodiversity Study

PROJECT OBJECTIVES

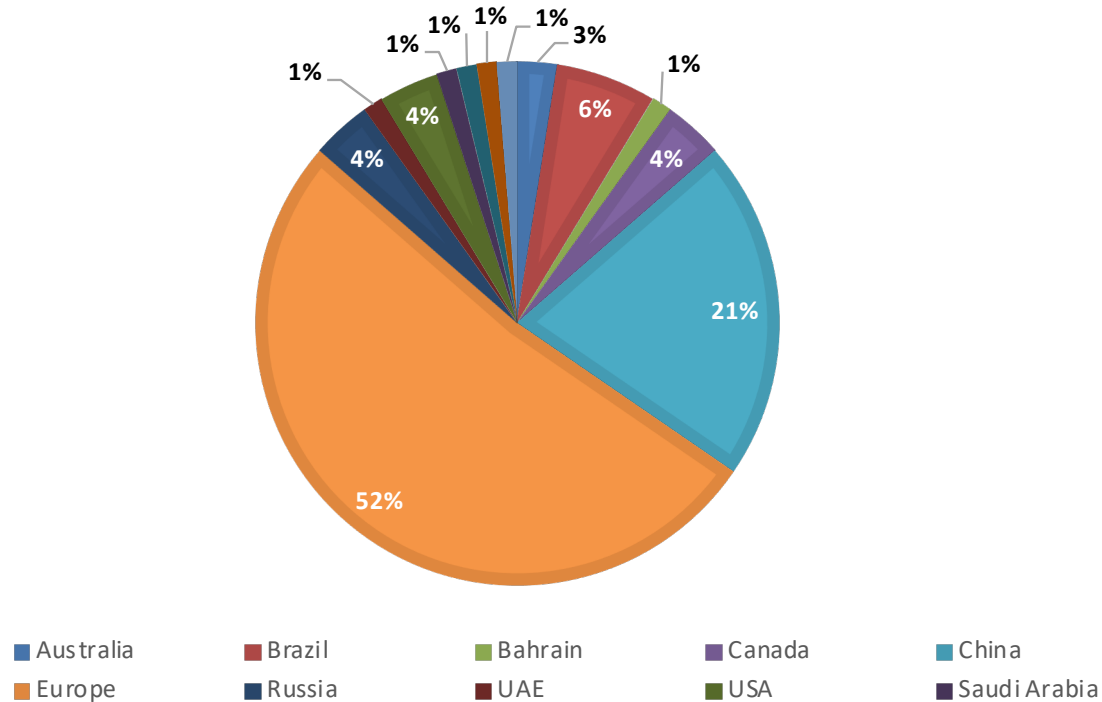
- The review and resulting report have been framed around a number of specific objectives.
 - **Objective 1:** To provide ASI with an overview of the level of conformance against the biodiversity criterion of the biodiversity aspects ASI performance standard.
 - **Objective 2:** To assess the Entity's ability to define an appropriate area of influence as part of its biodiversity risk assessment process.
 - **Objective 3:** To assess the design and implementation of the Biodiversity Action Plan (BAP), the use of the mitigation hierarchy as part of BAP design and the level of stakeholder consultation in the process. Lastly this objective will examine the reporting of biodiversity outcomes that is mandated as part of the Performance Standard.
 - **Objective 4:** Where possible, examine the rehabilitation activities to determine if best available rehabilitation techniques are being employed and if stakeholders are being engaged in rehabilitation design and implementation.

3 Presentation on Biodiversity Study

OVERVIEW OF PERFORMANCE

- A total of 74 individual Entities have been audited against principle 8 and the biodiversity criterion.

COUNTRY OF OPERATION



3 Presentation on Biodiversity Study

Supply Chain Activities	No	Supply Chain Activities	No
Bauxite mining	7	Casthouses	47
Alumina Refining	9	Semi-Fabrication	38
Aluminium Smelting	17	Material Conversion	26
Aluminium Remelting/Refining	32	Other	2

Supply Chain Activities	No	Supply Chain Activities	No
Bauxite mining	0	Casthouses	21
Alumina Refining	1	Semi-Fabrication	8
Aluminium Smelting	2	Material Conversion	3
Aluminium Remelting/Refining	15	Other	0

CONFORMANCE BY ACTIVITY

- An assessment of the Entities' supply chain activities shows a dominance of upstream supply chain activities.
- A total of 22 minor non-conformances were recorded through the assurance process.

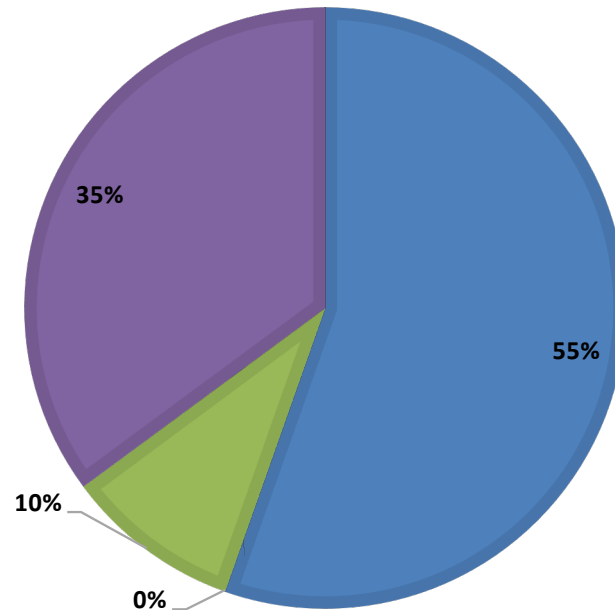
3 Presentation on Biodiversity Study

IMPLEMENTATION OF BIODIVERSITY ACTION PLANS

- When Entities with 'non applicable' ratings are removed from the analysis, the compliance against this Criterion was very high with 41 out of the 74 Entities obtaining a conformance rating.

8.2A

■ Conformance ■ Major Non-Conformance ■ Minor Non-Conformance ■ Not Applicable



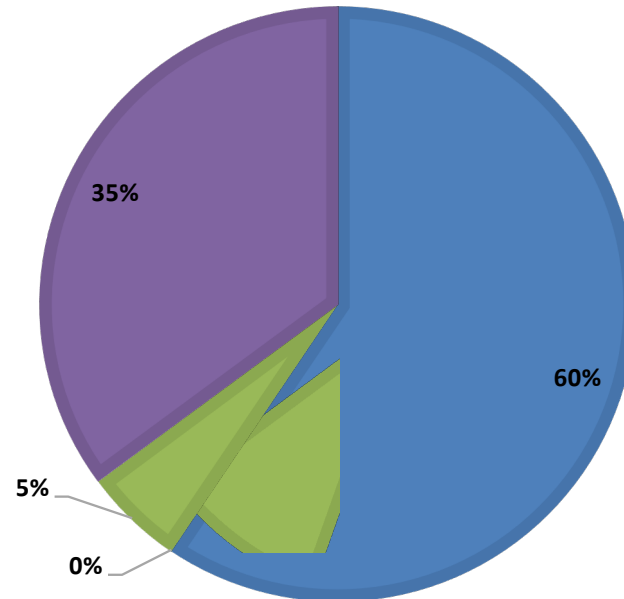
3 Presentation on Biodiversity Study

CONSULTATION AND MITIGATION HIERARCHY

- A lack of consultation with stakeholders (internal and external) during the BAPs development was the primary reason noted for the minor non-conformance.

8.2B

■ Conformance ■ Major Non-Conformance ■ Minor Non-Conformance ■ Not Applicable



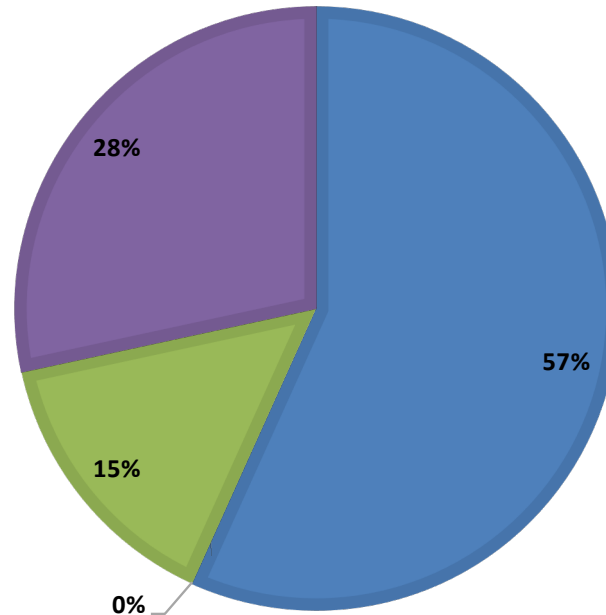
3 Presentation on Biodiversity Study

SHARING BIODIVERSITY OUTCOMES

- Failure to share biodiversity outcomes with stakeholders and or to publicly report biodiversity outcomes was the principal reason behind the minor non-conformance ratings for this criterion.

8.2C

■ Conformance ■ Major Non-Conformance ■ Minor Non-Conformance ■ Not Applicable



3 Presentation on Biodiversity Study

REHABILITATION

- Criterion 8.5b requires Entities to maintain adequate financial provisions to meet their rehabilitation and mine closure requirements.
- Only seven of the 74 Entities implementing the biodiversity aspects of the ASI Performance Standard undertake bauxite mining activities.
- All seven Entities received conformance ratings against both Criterion 8.5a and 8.5b.

3 Presentation on Biodiversity Study

RECOMMENDATIONS FROM THE REVIEW

- **Recommendation 1:** Require auditors to provide full and complete details on the outcomes of the Entity's biodiversity risk assessment results as part of the Performance Standard audit report to ASI.
- **Recommendation 2:** Consider implementing a process whereby Entities that have been shown to have no material impact on biodiversity as part of Criterion 8.1 be given an exemption for the other criteria in Principle 8 of the Performance Standard.
- **Recommendation 3:** Require auditors to provide full and complete details on biodiversity target setting and the use of the mitigation hierarchy as part of the performance standard audit report to ASI.
- **Recommendation 4:** The ASI should develop and provide a clear and unambiguous definition of the term biodiversity outcome to improve clarity on what constitutes conformance with criterion 8.2c.

3 Presentation on Biodiversity Study

- A participant expressed hesitancy about the suggestion to 'go easy' on Entities that have decided they have non-material implications on biodiversity. Possible that you can endanger biodiversity because lack of knowledge of existence of danger. Easy way out to say that one's influence is non-material.
- Another participant echoed this concern and asked whether, through the analysis of audit reports, they found some adequate explanations as to why an Entity would consider itself 'low-risk'? There is currently a high percentage of companies that aren't following this criterion because they consider themselves as not having a material influence.
- Stuart Anstee responded: there are several issues at play. 1) Biodiversity doesn't have a 'currency', thus often when looking at validity of a biodiversity risk assessment, one is dealing with situations where local knowledge is needed to understand nuances of what's happening in that context. 2) During the analysis of the reports, default viewpoint was taken that auditors knew what they were looking at. There is no indication in the audit report to suggest that an auditor was or wasn't bringing the required level of expertise, and there is thus heavy reliance on ability of auditors to determine whether risk assessment plan was adequate. This concern can be mitigated by requiring more detailed information in the audit report. Otherwise, opening up to having to do in-depth review of specific operations and sites.

3 Presentation on Biodiversity Study

- A participant asked: Are there some mining and smelters that said they didn't have any impacts?
- Stuart Anstee responded: no, none of them. All of upstream Entities did carry through the process, undertaking risk assessments etc. If one really wants resolution, one would need to do a 'deep-dive' into specific sites. Some Entities had that very well documented (i.e. in some sites in Brazil), though this was not standardised and is variable.
- A participant asked what the primary reason for non-conformances were: lack of training of auditors, or lack of clarity in criterion?
- Stuart Anstee responded: a bit of both. Clear in audit reports that some responses were very 'boiler plate' and standardised, and in others it was evident that the level of expertise and depth required was met. ASI would need to better assess who does the audit, etc. and focus on how to ensure that right auditing expertise is applied at sites. From a Criteria standpoint: they are pretty high level criteria, though not overly prescriptive. The best Guidance is about Area of Influence. It gets much 'lighter' and high level when it comes to Biodiversity Action Plans or the Biodiversity Mitigation Hierarchy, and what's expected of auditors to look for when assessing those.
- Secretariat: yes some of this has been revised. From January 2022, ASI now requires a pre-audit review of audit plans/schedules/interviews for upstream Entities (initial certification audits).

4 Principle 8 Biodiversity

Section / Area	Item discussed by BESWG	BESWG Outcome
8.5 and 8.6 Guidance	An alternate 2 ½ page version of the Guidance for 8.5 and 8.6 has been developed as an <u>OPTION FOR CONSIDERATION</u> .	AGREED TO SHORTER VERSION OF GUIDANCE

- Current Guidance was four pages for P8.5-6. An alternate 2 ½ page version of the Guidance for 8.5 and 8.6 was developed as an option for consideration as there was concern from some WG members that after incorporating additional information, including several 'scenarios' for 8.6, the Guidance was getting confusing and unnecessary long.
- (The shorter option has been provided to the SC).

4 Principle 8 Biodiversity

Section / Area	Item discussed by BESWG	BESWG Outcome
8.6 Guidance	Potential inconsistency noted in the reference between WDPA and IUCN definition for Protected Areas.	CLEARER WORDING DEVELOPED AND AGREED

- An inconsistency was noted in Guidance for 8.6 re: “It should therefore not be assumed that all records in the WDPA meet the IUCN or CBD definition.” but then states: “The WDPA uses the IUCN definition of a protected area as the main criteria for entries included in the database.”
- Suggestion provided and agreed to by BESWG: **‘the WDPA uses nationally defined protected area which meets the IUCN CBD definition.’**
- The use of the phrase *“use of a risk-based approach”* was suggested to be removed as a risk-based approach is not used in this instance, but rather it has to be consistent with the management objectives of the Protected Area.

4 Principle 8 Biodiversity

Section / Area	Item discussed by BESWG	BESWG Outcome
8.2 Guidance	The use of ‘ precautionary approach ’ in the guidance for 8.2 may read confusing	SUGGESTED WORDING DEVELOPED

- Existing text: *“A precautionary approach to ecological restoration should be applied, particularly when predicting restoration success as part of residual impact estimates.” This was considered to be quite confusing*
- Suggested text provided by the BESWG: *‘Rehabilitate or restore the affected environment. This should at minimum be a part of planning for closure, particularly for mining operations. Opportunities for progressive mine site Rehabilitation during active Bauxite Mining operations should also be explored, as it can bring important biodiversity benefits. (See also Criterion 8.7). The potential ecological success of planned rehabilitation and restoration actions should not be assumed; uncertainties, risks and unforeseen consequences should be articulated, reviewed and managed throughout the life of the operation.’*

4 Principle 8 Biodiversity

Section / Area	Item discussed by BESWG	BESWG Outcome
8.2 Guidance	Add 'Additional Conservation Outcomes' to the discussion of the mitigation hierarchy	AGREED, BUT AS A SEPARATE ENTRY

- The mitigation hierarchy is currently expressed in the Guidance as the four categories (i.e. avoid > minimise > rehabilitation > offset.) Discussion had by BEWSG about a fifth category of 'Additional Conservation Outcomes
- BESWG agreed to included a reference to Additional Conservation Actions, not Outcomes, but NOT LINKED to the mitigation hierarchy.
- BESWG suggested text: *"Additional Conservation Actions: A broad range of activities which are intended to benefit biodiversity, where the effects or outcomes can be difficult to quantify. These qualitative outcomes do not fit into the mitigation hierarchy, but may provide crucial support to mitigation actions. For example, awareness activities may encourage changes in government policy that are necessary for implementation of novel mitigation, research on threatened species may be essential to designing effective minimisation measures, or capacity building might be necessary for local stakeholders to engage with biodiversity offset implementation."*

4 Principle 8 Biodiversity

- A participant commented on the 'rehabilitation' component of the Mitigation Hierarchy. In instances of closure of operations in an industrial site which had been active for a long time, rehabilitation might not be an option. One can 'de-pollute', however restoring to its original condition is impossible to come back to. For example in French legislation: avoid, minimise, and offset. Rehabilitation is not explicitly required. Interpretation would thus vary depending on jurisdiction.

4 Principle 8 Biodiversity

Section / Area	Item discussed by BESWG	BESWG Outcome
8.6 Guidance	Consider the addition of a specific reference to the IUCN SSC Primate Specialist Group	AGREED, (but for 8.1 - Risk Assessment)

- BESWG Initially discussed the following: *“Where apes (i.e. chimpanzees, gorillas, orangutans, bonobos, gibbons and siamangs) do occur or are suspected to occur, the IUCN SSC PSG ARRC task force must be consulted as early as possible to provide advice and be involved in the elaboration of the Project’s mitigation strategy for apes.”*
- BESWG agreed to this concept but recommended ALL relevant IUCN Specialist Groups are referenced, and not just apes. Final WG agreement was to begin with a reference to the specialist groups generally, and then offer apes as an example (and without excessive detail).

5 Questions for David Wong on GHG Report

- This report was completed as part of ASI's annual Monitoring and Evaluation program
- Report was distributed in advance of the meeting
- ASI completed a '45 Minutes On' presentation of the findings of the report that can be found here: <https://www.youtube.com/watch?v=5ScyBWRztr8>
- Report will be published on the ASI website (<https://aluminium-stewardship.org/why-aluminium/outcome-impact-evaluations/>) in the following weeks

5 Questions for David Wong on GHG Report

- A participant asked about the quality of the plans to achieve targets in the report. David Wong: this wasn't looked at, as it was not part of the Terms of Reference. Focus was on quality of disclosures and emissions and energy use reported, and year on year trends. Future studies could focus on this.
- A participant asked: is the CRU methodology an internationally accepted methodology to quantify CO2 emissions? David Wong: the use of that tool was set up through ASI's MoU with CRU. CRU has a reasonably consistent approach across assets for the smelting sector. A credible, consistent independent methodology to plug gaps in disclosures.
- A participant mentioned that in EU entities, there are big differences with that methodology. David Wong: CRU uses the GHG Protocol for Corporate Accounting. Secretariat in chat: CRU and ASI Principle 5 use GHG Protocol for Corporate Accounting. EU and regulatory is usually looser than GHG Protocol for Corporate Accounting.
- A participant raised the fact that two companies failed to provide data. Did this warrant a major Non-Conformance? Secretariat responded: these were part of the Entities who do not require to disclose that as part of their Certification. This will change in the next revision, with all criteria applicable to all Entities (not just principle 4, material stewardship).
- Secretariat: report highlighted that different methodologies were used with different timelines. Allowed us to flag that to auditors and Entities. This report was useful as a check to the performance of different Entities.

6 Performance Standard Principle 5: Greenhouse Gas Emissions

Recognising the ultimate objective established under the UN Framework Convention on Climate Change, the Entity is committed to reducing its Greenhouse Gas (GHG) emissions from a lifecycle perspective to mitigate its impact on the global climate.

- Where example amended text is shown in the following slides it is to illustrate what implementation of the Standards Committee decision on a given log item/issue might look like
- Detailed input on wording is not sought, but direction and decision on each item is, as well as discussion where noted
- Pre-consultation changes in red

Broad changes proposed by GHG WG (Guidance)

- Key concepts updated & to be moved to Glossary;
- Circumstances and timing of independent verification clarified and the use of different disclosures for different audiences/purposes (but with a core that all such datasets use consistent methods/data in their development and such methods are disclosed along with numbers;
- Reference (to be published by IAI 18 October) 1.5 degree scenario for aluminium sector;
- Reference (to be published by SBTi 28 October) Net Zero Standard and use of offsets (appropriate for Entity emissions reduction plans in transition, but not for Smelter threshold values; high quality, long term, secondary to mitigation actions)
- Updated tools & measurement/reporting protocols;
- Recommendations from Atmolite: consistency in reporting (units, scope);
- Scope focus (corporate accounting – GHG Protocol), with carbon footprint (lifecycle) focus in Chain of Custody 9.8.
- Clearer definition of Mine to Metal (Scopes 1, 2 and 3, categories 1,3 and 4)

Broad changes proposed (Criteria)

- 5.1: Independent verification prior to publication
- 5.2:
 - Smelter related threshold criteria only in sub-criterion, entirety of 5.1, 5.3 and 5.4 to apply to **ALL** Entities;
 - Smelter reduction targets and pathways text moved to 5.3 as these will apply to all Entities;
 - 12 t CO₂e/t Al Mine to Metal (previous SC agreed) changed to 11.0 to reflect updated global data (IAI average);
 - Upstream scope 3 = 3.1 t CO₂e/t Al, rather than 4; 8 + 3 = 11).
 - One decimal place to address Entities on boundary.
 - 16 t CO₂e/t Al by 2025 for pre-2020 smelters above threshold changed to 15.0 as above.
 - These numbers may well (will) change when the 1.5 slope from IAI is released (18 October) – update in meeting
- 5.3:
 - Removed reference to ASI endorsed methodology for plan – should be aligned with a 1.5 degree scenario, which is forthcoming; only one exists for aluminium sector
 - Focus on alignment, rather than multiplicity of sectoral scenarios: IAI 2021; project to inject into SBTi in 2022;
 - Sectoral Scenario > Entity Pathway > Entity Emissions Reduction Plan
- 5.4: performance reference to Plan, not just targets

Broad changes proposed (Criteria)

- A participant expressed concern about the fact the alignment with a 1.5c degree scenario is now an isolated criteria. Given the fact that pathways have not been defined yet, this criteria can potentially not be met. How can this criteria then be complied with and audited? No endorsed methodology potentially opens the door to things that are not in line with 1.5c degree scenario.
- Given current time constraints in this SC meeting, this will be discussed offline in the coming days to agree on a language.

5.1 Disclosure of GHG Emissions and Energy Use

The Entity shall:

- a. Account for and publicly disclose, where material, ~~GHG emissions and~~ energy use and GHG emissions by source on an annual basis.
- b. Ensure that all publicly disclosed GHG emissions data are independently verified, prior to publication.

5.2 Aluminium Smelter GHG Emissions Intensity Performance

Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter:

- a. Started production after 2020, the Entity shall demonstrate that the average Mine to Metal Emissions intensity is below 11.0 tonnes CO₂e per metric tonne of cast Aluminium (t CO₂e/t Al).
- b. Was in production up to and including 2020, the Entity shall demonstrate that Mine to Metal Emissions intensity:
 - i. Is below 11.0 t CO₂e/t Al.

Or

- ii. Has been reduced by a minimum 10% over the previous three reporting periods and that the Entity has established GHG emissions abatement plans that ensure Mine to Metal Emissions intensity is:
 - below 15.0 t CO₂e/t Al by end 2025;
 - below 11.0 t CO₂e/t Al by end 2030.

5.2 Pre-consultation

~~-----GHG-emissions-reductions¶~~

5.2 → Aluminium Smelter Performance -¶

- a. → Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter is in production up to and including 2020, the Entity shall demonstrate that Mine-to-Metal Emissions from the production of Aluminium:¶
 - i. → Are at a level below 12 tonnes CO₂-eq per metric tonne Aluminium per metric tonne Aluminium. - Or¶
 - ii. → If at a level above 12 tonnes CO₂-eq per metric tonne Aluminium, demonstrate a minimum 10% reduction of 'mine-to-metal'[¶] emissions over the previous three year period. ¶
- a.b. → Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter started production after 2020, the Entity shall demonstrate that all Mine-to-Metal Emissions from the production of Aluminium are at a level below 12 tonnes CO₂-eq per metric tonne Aluminium. - **The Entity shall publish time-bound GHG emissions reduction targets and implement a plan to achieve these targets. The targets shall cover the material sources of Direct and Indirect GHG Emissions.** ¶

5.3 GHG Emissions Reduction Plans

The Entity shall:

- a. Establish a GHG emissions reduction plan that ensures a reduction pathway consistent with a below 1.5 degree Celsius warming scenario.
- b. Regularly review the effectiveness of the plan and, where required, identify and implement improvements.
- c. Ensure that the reduction pathway includes an intermediate reduction target covering a period no greater than five years, which:
 - i. Addresses all direct and indirect emissions.
 - ii. Is developed using a science-based approach endorsed by ASI, if available.
 - iii. Is publicly disclosed.
 - iv. Has performance measured against it and publicly disclosed annually..

5.3 Pre-consultation



~~Aluminium Smelters. An Entity engaged in Aluminium Smelting shall:~~



5.3 → GHG Emissions Reductions.

a. → Where an Entity is engaged with Aluminium Smelting and where the Aluminium smelter has Mine-to-Metal Emissions from the production of Aluminium above 12 tonnes CO₂-eq per metric tonne Aluminium, establish GHG emissions reduction pathway targets that ensures Mine-to-Metal Emissions are at a level below 16 tonnes CO₂-eq per metric tonne Aluminium by end-2025 and below 12 tonnes CO₂-eq per metric tonne Aluminium by end-2030.

All Entities shall:

b. → Establish a GHG emissions reduction plan using ASI endorsed methodologies, if available, that ensures a reduction pathway consistent with a below 1.5 degree warming scenario.

c. → Ensure that the reduction pathway includes an intermediate reduction target covering a period no greater than five years. The target must:

i. → Address all emissions from mine-to-saleable Product.

ii. → Be developed using a science-based approach endorsed by ASI, if available.

iii. → Be publicly disclosed.

5.4 GHG Emissions Management

The Entity shall demonstrate implementation of the necessary Management System, evaluation Procedures, and operating controls to achieve performance aligned to the plan and targets developed in 5.3 (a), ~~and (b)~~ and (c).

7 Criterion 9.7 Local Communities

9.7 Local Communities. The Entity shall:

- a. Respect the legal and customary rights and interests of local Communities in their lands and livelihoods and their use of natural resources.
- ~~b. — take appropriate steps to prevent and address~~ Develop a plan in Consultation and in cooperation with local Communities to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts, including health and safety and environmental impacts any adverse impacts on the local Community ~~livelihoods~~ resulting from its activities.
- c. ~~In accordance with the plan, commit resources to community development.~~
- d. ~~Regularly review the effectiveness of the plan and, where required, identify and implement improvements.~~
- e. Explore with local Communities opportunities to respect and support their livelihoods.

~~These criteria apply where the outcome of the Human Rights Due Diligence conducted as part of criterion 9.1 has identified the presence of issues affecting local Communities.~~

- Log item 174: It says in the guidance "note that the scope of this Criterion 9.7 is focused mainly on cases where rural and remote. Communities are dependent upon resources that may be affected by the company's operations, such as Bauxite Mining, Alumina Refining and/or Aluminium Smelting.". It is not clear what a medium size plant in an industrial and highly regulated is supposed to do especially with the guidance that exists. All the language used is not really appropriate with some kind of activities and it should be translated into a more simple criteria such as working with local authorities and local NGOs.
 - Recommendation from HRWG: Examples by supply chain activity were requested from the HRWG – none were received. Further guidance by supply chain activity could be explored post-revision. Recommend no change.
 - Comment received from SC Member that the following questions could be added to guide downstream Facilities:
 - When we talk about surrounding communities, for instance we have regular contacts and meetings with local authorities and elected bodies by local populations. We know a few local NGOs active on certain environmental subjects and of course we know unions.
 - What kind of publicly available mapping of stakeholders would we need to do?
 - What kind of resources should we commit versus resources already identified and discussed with these local authorities?
 - The livelihood more linked to jobs than fishing or agriculture activities.
 - Could we find within certified members best practices for industrial downstream activities in industrial & regulated areas?
 - Recommend these questions be added to the Guidance and further changes to the Guidance across the Standard can be prioritized post-revision.

7 Criterion 9.7 Local Communities

- A participant comment on the term 'livelihoods' being removed, where instead 'Community' should be scratched and 'livelihoods' should stay.
- The Chair stated that this is language from the previous consultation. This decision was made because community impacts can go beyond livelihoods (i.e. social systems). It was stated that the SC had agreed to not revisit decisions made pre-consultation unless new information came forward and thus this wasn't being discussed in this meeting.
- Regarding the questions suggested to be added to guide downstream Entities by an SC member: this was a concern raised in audits reviewed, and were proposed to ensure that Entities are really answering their commitments in the spirit of the Standard.
- The Secretariat doesn't have examples to populate the Guidance regarding this despite a request for examples to both the HRWG and SC. Could put these questions in the Guidance to guide auditors, though no concrete language other than that. A participant stated that those question don't offer anything particularly helpful for auditors.
- **It was agreed to not include the suggested language.**

9 Criterion 10.8 Working Time Time pending

10.8 Working Time. The Entity shall:

- a. Comply with Applicable Law and industry standards on Working Time (including Overtime working hours), public holidays and paid annual leave.
- b. Ensure Workers have at a minimum one day off per seven day period.
- c. Ensure the work day is 8 hours on average over a three month period.

- Log items 143, 130, 445, 484: 10.8 (c): There is no indication in terms of how the average 8 hours a day over 3 months should be calculated (including work days, off days, rotation, weekends, holidays etc. etc.)
 - Average is self-explanatory. No change recommended.
- Log items 129: The proposed wording may provoke non-conformance for “fly-in, fly-out” kind of scenarios. Thus, the wording for criteria shall be aligned with the proposed wording of the guidance. The wording should be polished.
 - Extending the ‘average period’ by an additional month should provide enough leeway for all situations.
- Log items 130: We have some exceptional situations allowed by the law and by the agreement with unions which may infringe on this criteria.
 - Add exemption for union agreements to 10.8.

❖ Request to the SC to ask their legal teams on the language of this Criterion.

9 Criterion 10.8 Working Time Time pending

- A participant mentioned that in some jurisdictions there is a possibility for someone to work 12 days in a row (with compensation etc.), and that wouldn't be in line with 10.8b. Exemptions according to Applicable Law should be made in the Criterion.
- A participant suggested to then add 'average' language in 10.8b, similarly to 10.8c. The Standards Committee agreed to this inclusion.

10 Agreed Upon Actions & Close

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

Plan ahead:

- One SC Meeting approve documents (Documents finalized by 03Dec21)
- Six weeks for legal review and translation (07Jan22)
- Four weeks consultation (04Feb22)
- Marathon SC Meetings to Finalize and Approve Final Drafts (25March22)
- Four weeks for legal review and Board Approval (29April22)

Thank you