Aluminium Stewardship Initiative (ASI)

ASI is a not-for-profit standards setting and certification organisation for the Aluminium value chain.

Our vision is to maximise the contribution of Aluminium to a sustainable society.

Our mission is to recognise and collaboratively foster responsible production, sourcing and stewardship of Aluminium.

Our values include:

- Being inclusive in our work and decision making processes by promoting and enabling the participation of representatives in all relevant stakeholder groups.
- Encouraging uptake throughout the Bauxite, Alumina and Aluminium value chain, from mine to downstream users.
- Advancing material stewardship as a shared responsibility in the lifecycle of Aluminium from extraction, production, use and recycling.

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The official language of ASI is English. ASI aims to make translations available in a range of languages and these will be posted on the ASI website. In the case of inconsistency between versions, reference shall default to the official language version.
# ASI Performance Standard – Guidance

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Introduction

1. Introducing the ASI Performance Standard

The ASI Performance Standard defines environmental, social and governance Principles and Criteria, with the aim to address sustainability issues in the Aluminium value chain. ASI Members in Production and Transformation and Industrial Users membership classes are required to have at least one Facility Certified against the ASI Performance Standard within two years of joining ASI.

The ASI Chain of Custody (CoC) Standard complements the ASI Performance Standard and is voluntary – though encouraged – for ASI Members. Some aspects of the Performance Standard are cross-referenced in the CoC Standard, notably in the areas of responsible sourcing Policy, anti-Corruption, Human Rights Due Diligence, and Conflict-Affected and High-Risk Areas.

Certification against ASI Standards requires independent third-party auditing by ASI Accredited Auditors to verify that an Entity’s Management Systems and performance conforms to the relevant Standard/s. The Certification process also establishes mechanisms for early identification of practices that may not be in Conformance, and processes to track Corrective Actions and/or enforcement.

For more information on how to achieve ASI Certification, see the ASI Assurance Manual.

2. What is an Entity?

ASI Standards place responsibilities for Conformance on the ‘Entity’ – which is defined in the Glossary as:

'A Business or similar which is under the ownership or Control of a Member. An Entity can constitute part or whole of an ASI Member. In relation to the application of the ASI Performance Standard, the Entity seeks or holds ASI Certification and is responsible for implementation of the ASI Performance Standard in the defined Certification Scope.'

In other words, the Entity is the Business, organisation, company or group of activities that gets Certified. An Entity can therefore be an ASI Member as a whole, or under the Control of an ASI Member, such as a division of the Business, a group of related Facilities or a single Facility. For more information on how to define the Certification Scope of an Entity, see the ASI Assurance Manual.

3. How to Use this Guidance

The Guidance is designed to assist ASI Members to fulfil their commitment to implement the ASI Performance Standard and achieve Certification. There are individual Guidance chapters for each of the 11 Principles in the ASI Performance Standard, which can stand alone so that they can be referred to by designated responsible staff within a Business, as appropriate. They will be of most use to Members who are preparing for their initial Certification, or who wish to compare their current approach against the intent of the Criteria.
The Guidance is also intended as a resource for ASI Accredited Auditors carrying out independent Third Party Audits. More generally, it is publicly available on the ASI website to anyone who wishes to find out more about ASI’s Standards.

4. Implementing Effective Management Systems

Many of the Criteria in the ASI Performance Standard are based on a Management Systems approach. Management Systems will vary depending on the nature of the individual Business and its circumstances. In general terms, the following are elements of effective Management Systems that may assist with implementation of the ASI Performance Standard:

- A risk assessment is a valuable management tool to identify and characterise actual and potential risks. It can be used to prioritise areas among the applicable Criteria in the Standard. For those Members that do not regularly carry out risk assessments, ASI will include a template in the Assurance Platform. For Members with mature Management Systems in place, a review or extension of their existing risk assessments should be sufficient to identify and address any outstanding issues. The risk assessment will identify whether implementation or modification of any of the following would be appropriate:
  - Senior managers or officers being assigned responsibility for the subjects addressed under the Performance Standard
  - Written Policies and Procedures can clarify the Business’ position on key issues and identify ways to put the Policies into practice. If preparing these materials for the first time, or for smaller Businesses, think of ways to be efficient. For example, Policies and Procedures can be recorded in a presentation that is then used for training purposes
  - Check and Act has the Business checking to see if the Policies and Procedures are effective at meeting their objectives, and acting where they are found not to be
  - Record keeping is fundamental to any Business and allows Businesses to measure progress over time. It provides an essential source of information for internal reviews, and where relevant, valuable evidence for external audits
  - Training helps personnel to focus on priorities and understand the Policies and Procedures of the Business. It is an important way for new and existing personnel to learn about what they need to do and keep pace with a flexible and evolving Business.

5. Smaller Businesses

ASI aims to make ASI Certification accessible to all sizes of Business, large and small. A general indication of relative size, Businesses join ASI on the following basis of annual turnover/revenue is given in Table 1.

Table 1 – ASI Business Size Class by Annual Turnover/Revenue

<table>
<thead>
<tr>
<th>Very Large</th>
<th>Large</th>
<th>Medium</th>
<th>Small</th>
<th>Micro</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than US$10 billion</td>
<td>Between US$1 and US$10 billion</td>
<td>Between US$100 million and US$1 billion</td>
<td>Between US$10 million and US$100 million</td>
<td>Less than US$10 million</td>
</tr>
</tbody>
</table>

References to ‘smaller Businesses’ in the Guidance include those that are ‘small’ and ‘micro’ organisations.

In smaller Businesses, Management Systems may be less formal but still effective. For example, it is much easier to communicate Policies and programs to a small workforce, thereby reducing the need for extensive documentation. There is often close proximity of senior management with the day-to-day running of the Business. This should create a high degree of awareness of the issues and risks which need to be managed.
Achieving ASI Certification will not be less rigorous for smaller Businesses, but the relevant Objective Evidence of Conformance may differ. Auditors are instructed to look for adequate proof of Conformance for the size of the organisation. Documentation that is fit for purpose and consistent is usually the foundation of a functional Management System, and thus may be quite simple for smaller Businesses. Interviews also give an indication of how systems are performing in practice. In small Businesses, Auditors may rely more on interviews since they can reach a larger proportion of the workforce than in a larger workplace.

6. **Public Disclosure**

The ASI Performance Standard requires that Entities publicly disclose data throughout the Performance Standard, namely in Criteria:

- 1.3(b) Code of Conduct
- 2.4(b) Responsible Sourcing
- 3.1 Sustainability Reporting
- 3.3(b) and (c) Payments to Governments
- 5.1(b) Disclosure of GHG Emissions and Energy Use
- 5.3(a) and (d) GHG Emission Reductions
- 6.5(b) Waste Management and Reporting
- 7.1(a) Water Assessment and Disclosure
- 7.3 Disclosure of Water Usage and Risks
- 8.7(b) (for Bauxite Mining only) Mine Rehabilitation
- 9.1(a) Human Rights Due Diligence
- 9.2(b) Gender Equity and Women’s Empowerment and Gender Equity
- 10.3(b) Forced Labour
- 11.3 Public Disclosure on Effectiveness of OH&S Management System
- 11.2 OH&S Management System.

The required ASI Performance Standard Criteria where public disclosure is required in some circumstances include:

- 2.1(e) (if appropriate to disclose externally) Environment, Social and Governance Policy
- 2.5(a) (if an environmental and social Impact Assessment is completed) Environmental and Social Impact Assessments
- 2.6(d) (if a Human Rights Impact Assessment is completed) Human Rights Assessments
- 3.2 (if fines are material significant) Non-Compliance and Liabilities
- 4.1(c) (if there is public communication about Life Cycle Assessments) Environmental Life Cycle Assessments
- 6.1(a) (if Emissions to Air that have adverse effects on humans or the environment the potential to impact adversely human wellbeing or the environment are identified) Emissions to Air
- 6.1(b) (if Discharges to Water that have adverse effects on humans or the environment the potential to impact adversely human wellbeing or the environment are identified) Discharges to Water
- 6.4(b) (if there are Spills and Leakages) Reporting of Spills
- 7.1(b) (if material water-related risks in Watersheds in the Entity’s Area of Influence are identified) Water Assessment and Disclosure
- 8.2(c) (if there are material impacts on biodiversity identified (8.1) and if a Biodiversity Action Plan is carried out (8.2a.)) Biodiversity Management
8.6(c) (for Bauxite Mining only: if there is an independent Third Party assessment that identifies that the mining and associated Facilities are consistent with the management objectives of the Protected Area) Protected Areas

9.3(a) (for Facilities where the presence of Indigenous Peoples or their lands, territories and resources is identified) Indigenous Peoples

9.6(d) (if a Resettlement Action Plan is developed) Resettlements.

Public disclosure has different contexts depending on the scenario. ‘Publicly Available’ refers to a document or a series of documents being communicated to Affected Organisations and Populations either through the organisation’s website (for large companies) or making them available upon request (SMEs).

- Large companies are recommended to follow the guidelines by the Global Reporting Initiative (GRI), or similar reporting Guidelines
- For small-to-medium enterprises (SMEs), it is sufficient to make information available in the form of a memorandum or email, or information on the company’s website, and does not need to be a printed publication.

Unless prescribed by the Standard, reporting should be of a frequency that is relevant for the Business.

- Large companies are expected to produce annual reports
- SMEs may update their communications less frequently, in proportion to the scale of their Business and its impacts.

For companies with multiple sites, public disclosure may be done in aggregate, however, Auditors would be given access to data on a Facility-by-Facility basis in order to determine Conformance for all Facilities within the Certification Scope.

7. Consultation

The ASI Performance Standard requires that Entities Consult with Workers and/or Affected Populations and Organisations throughout the Performance Standard, namely in Criteria:

- 8.7(b) (for Bauxite Mining only) Mine Rehabilitation
- 9.1(b) and (c) Human Rights Due Diligence.

The required ASI Performance Standard Criteria where Consultation is required in some circumstances include:

- 2.9(c) (if there is a merger or acquisition) Mergers and Acquisitions
- 2.10(b) (if there is a closure, decommission or divestment planned) Closure, Decommissioning and Divestment
- 8.1(b) (if potential impacts on biodiversity in Criterion 8.1a are identified and a Biodiversity Action Plan is developed) Biodiversity Management
- 9.4 (if Indigenous Peoples are present) Free, Prior and Informed Consent
- 9.5 (if Indigenous Peoples are present) Cultural and Sacred Heritage
- 9.6 (if there is a resettlement) Resettlements
- 9.7(b) (if significant adverse impacts to local Communities are identified) Local Communities.
ASI Performance Standard – Guidance

About this Guidance

The ASI Performance Standard outlines the requirements for Performance Standard Certification. This ASI Performance Standard Guidance has been developed as a resource to assist ASI Members seeking Performance Standard Certification, and for ASI Accredited Auditors carrying out independent Third Party Audits. It is also publicly available to anyone who wishes to find out more about ASI’s Standards.

The ASI Performance Standard is structured into three sections, aligning with the three pillars of sustainable development:

A. **Sections 1–4. Governance:** Business Integrity; Policy and Management; Transparency; Material Stewardship
B. **Sections 5–8. Environment:** Greenhouse Gas Emissions; Emissions, Effluents and Waste; Water Stewardship; Biodiversity and Ecosystem Services
C. **Sections 8–12. Social:** Human Rights; Labour Rights; Occupational Health and Safety

The Guidance is similarly organised to address each of the above sections, providing general guidance to Businesses wishing to implement systems and Procedures that can comply with the ASI Performance Standard.

The ASI Performance Standard sets out requirements for what a Business must be able to do but does not prescribe how systems and Procedures are designed and implemented to achieve this. The Guidance therefore offers background, explanation and points to consider, however these are general guidance only and non-prescriptive. The ASI Performance Standard is the final point of reference.
A. Governance

1. Business Integrity

**Principle**
The Entity shall conduct its Business according to a high level of integrity and Compliance.

**Related Criteria**
- 3.2 Non-Compliance and Liabilities
- 3.3 Payments to Governments
- 9.6 Resettlements
- 10.1 Freedom of Association and Right to Collective Bargaining
- 10.2 Child labour
- 10.4 Non-Discrimination
- 10.8 Working Time
- 11.1 Occupational Health and Safety (OH&S) Policy

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
<th>Applicability of Performance Standard Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite Mining</td>
<td>1.1</td>
</tr>
<tr>
<td>Alumina Refining</td>
<td>1.2</td>
</tr>
<tr>
<td>Aluminium Smelting</td>
<td>1.3</td>
</tr>
<tr>
<td>Aluminium Re-melting/Refining</td>
<td></td>
</tr>
<tr>
<td>Casthouses</td>
<td></td>
</tr>
<tr>
<td>Semi-Fabrication</td>
<td></td>
</tr>
<tr>
<td>Material Conversion (Production and Transformation)</td>
<td>1.1</td>
</tr>
<tr>
<td>Material Conversion (Industrial Uses)</td>
<td></td>
</tr>
<tr>
<td>Other manufacturing or sale of products containing Aluminium</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**

Corporate governance frameworks and Compliance mechanisms are tools to ensure that companies do Business with integrity. When properly implemented and integrated, they can help to foster corporate accountability and serve to support stakeholder and investor confidence.

**Key Concepts**

**Applicable Law** — The relevant international and/or national and/or state and/or local laws of the country or countries where the Entity operates. This may include, but is not restricted to, acts, regulations and statutory Policies. Where a conflict arises between Applicable Law and the requirements of the ASI Standards, the Entity should comply with the higher standard except where this would result in a violation of Applicable Law. (Adapted from Responsible Jewellery Council - Code of Practices 2013)

**Bribery** — The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, or
other advantages (taxes, services, donations, favours etc.). ( Adapted from Transparency International Anti-Corruption Glossary)

**Code of Conduct** — Statement of principles and values that establishes a set of expectations and standards for how an organisation will behave, including minimal levels of compliance and disciplinary actions for the organisation, its staff and other personnel. (Adapted from Transparency International Anti-Corruption Glossary)

**Compliance (with Applicable Law)** — Refers to the Procedures, systems or departments within organisations that ensure all legal, operational and financial activities are in conformity with current laws, rules, norms, regulations, standards and public expectations. (Adapted from Transparency International Anti-Corruption Glossary)

**Corruption** — 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. (Adapted from Transparency International Anti-Corruption Glossary) Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. Corruption can also include the offer or receipt of gifts, loans, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. It can also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice. (Adapted from GRI Standard 205)

**Extortion** — Act of utilising, either directly or indirectly, one’s access to a position of power or knowledge to demand unmerited cooperation or compensation as a result of coercive threats. (Adapted from Transparency International Anti-Corruption Glossary)

**Facilitation Payments** — A small bribe, also called a ‘facilitating’, ‘speed’ or ‘grease’ payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement. (Adapted from https://www.transparency.org/en/corruptionary)

**Implementation**

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

**1.1 Legal Compliance**

The Entity shall have systems in place to maintain awareness of and ensure Compliance with Applicable Law and Customary Law. Where a conflict exists between the two the Entity shall prioritize Applicable Law.

**Application:**

- This Criterion applies to all Facilities.
- In addition to the general requirement in Criterion 1.1, Compliance with Applicable Law is a specific requirement in the following Criteria of the ASI Performance Standard:
  - 1.2 Anti-Corruption
  - 3.2 Non-Compliance and liabilities
  - 9.6 Resettlements
  - 10.1 Freedom of Association and Right to Collective Bargaining
  - 10.8 Working Time
Background:

- Legal Compliance is a primary Business concern and must be managed effectively. Legal Compliance obligations may include legislation and regulations, permits and licenses, local by-laws, and court decisions and directions. The focus of Criterion 1.1 in the ASI Performance Standard is for Entities to have systems in place to be aware of and maintain Compliance with Applicable Law and does not encompass a full legal Compliance Audit. Managing legal risk effectively is widely seen as contributing to the broader integrity and sustainability of a Business.

Points to consider in Implementing Criterion 1.1:

- The organisation Entity should consider having access to competent and qualified legal personnel. This could be through their own designated staff (e.g. legal counsel or legal department), or through external law firms, experts, or industry associations.
- The Entity could use legal Compliance registers to identify and maintain relevant information on:
  - Relevant applicable legislation and regulations, required licences and permits and reporting and disclosure obligations. This can include the name of the act, regulation, permit etc., an online link or description of its location, the jurisdiction where the legal instrument applies, information about the governing body or authority, a description of the purpose and key requirements specified in the legal instrument, a description of how these affect the Business.
  - In some cases the terms Customary Law and customary rights are interchangeable. In general, it refers to a collection of rights relevant to an Indigenous person/group’s traditional lands that may include the right to live/camp, hunt, use water, hold meetings, perform ceremony and protect cultural sites of importance (and as defined by them). Note that Customary Law may be held orally. Other Customary Laws or rights may be held by other groups, for example, hunters and fishers.
  - Other requirements (i.e. more than those prescribed by Applicable Law) which apply to the Entity’s activities, products and services. Other requirements, if applicable, can include:
    - Indigenous consultation protocols
    - Agreements with public authorities
    - Agreements with customers
    - Non-regulatory guidelines
    - Voluntary principles or codes of practice
    - Requirements of industry associations
    - Agreements with Community groups or non-governmental organisations
    - Public commitments of the Entity or the parent Member organisation
    - Corporate/company requirements.
  - Identifying the nominated person/area within the Business with responsibility for ensuring Compliance and for accessing information about the legal requirement and any associated developments concerning these.
  - Specifying how often and when Compliance evaluations will be carried out. In some instances the Compliance evaluation frequency may be prescribed by law. Otherwise, it should be carried out at a frequency commensurate with the risk associated with the requirements.
  - Tracking measures for bringing any potentially non-complying situation into Compliance. For example, the register can be used to list the evidence and records to demonstrate Compliance and track Corrective Actions where non-Compliances have been identified.
  - Note that legal Compliance registers could be either centralised or maintained at the applicable level of an organisation (e.g. on a country or site basis), as best suits the needs of the Business.
    - Where Indigenous Peoples are present in the area of the Entity’s operations, the Entity should also seek to understand relevant customary law, including Indigenous Peoples Consulting protocols.
This requirement does not require that the Entity have zero non-Compliances with Applicable Law, but rather that the systems are effective at ensuring the Entity maintains awareness of, and Compliance with, Applicable Law. Where non-Compliances do occur, systems should be effective in identifying and addressing them.

Consider putting processes in place to communicate and provide training about legal requirements to Workers, employees, Contractors, agents and any party who may act as an agent on your behalf, that can ensure an appropriate level of understanding of Applicable and Customary Law.

The Entity, particularly medium sized and larger, could consider assigning a Compliance officer.

A useful reference on Customary Laws around the world is the IUCN’s Customs and Constitutions: State recognition of customary law around the world. While not directed towards business’ it does provide an overview of the legal status of Indigenous Customary Law at the country level.

Where Indigenous communities are present in the area of the Entity’s operations, the company should also seek to understand relevant customary law.

In addition to the general requirement in Criterion 1.1, Compliance with Applicable Law is a specific requirement in the following Criteria of the ASI Performance Standard:

- 1.2 Anti-Corruption
- 3.2 Non-Compliance and liabilities
- 9.6 Resettlements
- 10.1 Freedom of Association and Right to Collective Bargaining
- 10.2 on Child Labour
- 10.4 on Non-Discrimination
- 10.8 Working Time

Points to Consider in Auditing Criterion 1.1:

- The Entity should consider putting in place systems, processes, procedures or methods to monitor legal developments and identify evolving areas of legal risk. Seek legal advice where there is uncertainty about legal requirements.
  - Sometimes the Applicable Law may not be clear for a particular situation or may be challenged in court. In some circumstances, this may impact Conformance findings where it relates to Criteria in the ASI Performance Standard that refer to Applicable Law. Auditors determining their findings in such situations should consider any guidance provided by the relevant government authority, as well as any proper legal opinions provided by the Entity.
  - Pending approvals for operating permits or licenses are common, as Businesses and legislation frequently change and it can take time for the relevant authorities to process applications. Where this relates to a Criterion that refers to Applicable Law (see below), and the matter is procedural and there appears to be no reason why the approval would not be provided, this can be accepted by Auditors as a situation of Conformance.

Evidence of systems, procedures and processes, particularly for smaller Businesses, may not be in documented form but, nevertheless, should be considered.

1.2 Anti-Corruption
The Entity shall work against Corruption in all its forms, including Extortion and Bribery, consistent with Applicable Law and prevailing international Standards.

Application:
- This Criterion applies to all Facilities.
Background:
- Corruption hinders economic development, and can undermine environmental and labour standards, access to Human Rights and the rule of law. Bribery is the most widely condemned form of Corruption. Nearly all countries have criminalised Bribery where it occurs domestically, and in many countries it can be prosecuted even where the offence takes place overseas. Bribes may take many forms, including cash, gifts in kind, hospitality expenses, advantage, Facilitation Payments or promises. In some cases, the briber holds a powerful role and controls the transaction. In other cases, a bribe may be effectively extracted from the person paying.

Points to consider in Implementing Criterion 1.2:
- The Entity organisation could establish Policy/ies and/or systems against Corruption and have these formally endorsed by the highest level of the Business. If developed, the Policy/ies should seek to establish awareness of Corruption issues and risks and provide the foundation for embedding an anti-Corruption culture in the organisation. Components of the Policy to consider include:
  - 1. Address the management of conflicts of interest and political and charitable contributions
  - 2. Prohibit extortion, embezzlement, bribery, facilitation payments and money laundering
  - 3. Grants protection to employees from demotion, penalty or other adverse consequences for refusing to participate in corruption, even if such refusal may result in the site losing business
- If a Policy is developed, consider communicating the Policy/ies to all Workers and any party who may act as an agent on your behalf, and reference it in appropriate contract documents. Make clear the sanctions that will apply for non-compliance.
- Consider implementing processes to verify the legitimacy of cash transactions and limit cash transactions to an appropriate maximum. Some jurisdictions have local limits, for example, some countries within the European Union set a 10,000 Euro limit and the US has set a $10,000 limit. Consider whether the local limit is appropriate for the supply chain activity and if there is no local limit consider the equivalent of US$10,000
- Consider establishing a contact person or office to provide advice and receive complaints or concerns about compliance with anti-Corruption Policy/ies. For larger companies where Significant Risks are identified, the Policy/ies should consider providing Workers and agents with access to a whistleblowing mechanism.
- Consider how the Policy should address political donations, charitable contributions, and sponsorships. The organization may set out criteria and Procedures for the recording and approval of the offer and acceptance of Third Party gifts, including hospitality and entertainment. Judgment may be needed to set the criteria of acceptable thresholds in the context of customary exchanges vs the risk of corruption.
- Consider establishing a Third Party gift register to record given, received and accepted gifts. These include major charitable contributions, sponsorships, Community payments, and significant hospitality expenses that are offered in commercial circumstances with Bribery risks. A gift register can be integrated within an organisation’s payment system and does not have to be stand-alone.
- Consider conducting a risk assessment to identify those parts of the Business that are exposed to Bribery risk. Consider seeking professional expertise to assist, particularly for complex Businesses operating in multiple locations.
  - Risks may vary depending on the type of Business and geographical location. In general, risks frequently involve individuals in a position to influence (or be influenced) in respect of transactions or Business relationships with third parties, including government entities, and entities in which government or public officials have interests.
  - Establish a documented anti-Corruption program to mitigate identified risks, such as through the provision of training, formal approval Procedures that avoid concentration of authority with single individuals, enhanced oversight of higher-risk transactions, use of documented selection criteria for selection of new agents and relevant Contractors, and recording of any instances of attempted Bribery and their investigation.
Regularly review the risk assessment and anti-Corruption measures put in place to address identified risks. The review of performance should be undertaken by competent personnel who are free from conflicts of interest.

Consider conducting Third Party Audits of high risk areas.

Useful references, including relevant international standards are:

**Good practice guidelines:**
- Partnering Against Corruption Initiative (PACI) Principles
- ISO/CD 37001:2016 Anti Bribery management systems

**Risk assessment methodology:**
- A Guide on Anti-Corruption Risk Assessment, the UN Global Compact, 2013
- Diagnosing Bribery Risk, Transparency International UK, 2013
- TRACE Matrix – Global Business Bribery Risk Index for the Compliance Community

**Country risk:**
- Transparency International’s Corruption Perceptions Index
- The Business Anti-Corruption Portal
- The World Bank Worldwide Governance Indicators

**Sector risk:**
- Transparency International’s Bribe Payers’ Index – Sector results
- The FCPA Blog’s Corporate Investigation List (updated quarterly)

### 1.3 Code of Conduct

The Entity shall:

**a.** Implement a Code of Conduct or similar instrument including principles relevant to environmental, social and governance performance.

**b.** Publicly disclose the Code of Conduct or similar instrument.

**c.b.** Regularly review the effectiveness of the Code of Conduct or similar instrument and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

**Application:**

- This Criterion applies to all Facilities.

**Background:**

- Codes of Conduct define behaviour expectations for both management and other employees. A well-written Code of Conduct clarifies an organization’s mission, values and principles, linking them with standards of professional conduct. While such Codes of Conduct do not necessarily prevent inappropriate behaviour or fraud, they do provide employees with legal and ethical frameworks that will influence their performance and commitment to the Entity’s system of internal control.

**Points to Consider in Implementing Criterion 1.3:**

- The Entity’s organization’s Code of Conduct may refer specifically to the ASI Performance Standard or may make more general commitments to Business integrity, including areas of environmental, social and governance performance covered by the ASI Performance Standard.

- Where there are Indigenous Peoples present in or around an Entity’s areas of operation, the Code of Conduct should include a commitment to respect their rights.

- Work to ensure that those who work for or on behalf of the organisation are made aware of your Code of Conduct. Training, awareness-raising and capacity building will help staff to embed the principles into their own work and Procedures.
• Consider appending the Code of Conduct to company contracts, where relevant, to raise awareness of the organisation’s principles with Business partners, service providers and suppliers.

For 1.3(c)

• Conduct regular reviews of the Code of Conduct or similar instrument. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  o The size and scope of the Business
  o The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  o The degree to which the Code of Conduct is aligned with existing Business practices
  o Changes within the company or external to the Business which would impact the Code of Conduct (including any mergers and/or acquisitions)
  o Alignment with legal requirements
  o After a significant breach of the Code of Conduct.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as merger or acquisition or an identified material breach of the Code of Conduct, may trigger an earlier or more frequent review.

• When implementing the Code of Conduct and/or conducting a review, consider:
  o Whether it is reflected in operational Policies and Procedures necessary to embed it through the organisation
  o Whether there are potential gaps between the Code of Conduct and actual Business practices
  o How to implement action plans to address any gaps by improving its content and/or implementation.

• Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the Code of Conduct has been found to:
  o Not be fully effective in meeting its objectives
  o Not meeting stakeholder expectations
  o Not aligned with leading practices
  o Not meeting legislative requirements.

• Further information on conducting a review of a Code of Conduct can be found at the Queensland Government Business website.

Points to Consider in Auditing Criterion 1.3:

• It is expected that during an initial Certification Audit an Entity may have just implemented a Code of Conduct and a review may not yet have been conducted. In these cases, it is expected that Criterion 1.3b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance/Re-certiﬁcation Audits would verify the review was conducted as planned.
2. Policy and Management

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

**Related Criteria**
- 8.2 Biodiversity Management
- 8.7 Mine Rehabilitation
- 9.1 Human Rights Due Diligence
- 9.4 Free Prior and Informed Consent (FPIC)
- 9.8 Conflict Affected and High Risk Areas

**Applicability**

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**Code:**
Criteria shaded **green** are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the **ASI Assurance Manual**.

**Background**

**Key Concepts**

**Community** — A term generally applied to any people or communities located in an operation’s or project’s geographical proximity, particularly those subject to actual or potential direct project-related risks and/or adverse impacts on their physical environment, health or livelihoods. It often refers to a group of people or families who live in a particular locality, sometimes share a common interest (water users associations, fishers, herders, grazers, and the like), often have common cultural and historical heritage and have different degrees of cohesiveness. (Adapted from)

**Due Diligence** — An ongoing, proactive and reactive process through which companies can identify and assess risks, and design and implement a strategy to respond to identified risks. (Adapted from)

**Historic Aluminium Operations** — Refers to Legacy Impacts of the operation.

**Impact Assessment** — The process of identifying, predicting, evaluating and mitigating the biophysical, social and other relevant effects of development proposals prior to major decisions being taken and commitments made.
Major Changes – A significant change to an existing Facility that has occurred since a Member has joined ASI.

Management Representative – A member of senior management personnel nominated by the company to ensure that the requirements of the Standards are met. (Adapted from Social Accountability International, SA8000: 2008)

Management System – Management processes and documentation that collectively prove a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve the desired outcomes, and to drive continual improvement in performance. (Adapted from Responsible Jewellery Council Code of Practices 2013)

New Projects – A new Facility that has been constructed since a Member has joined ASI.

Policy – A statement of principles and intentions. (Adapted from Responsible Jewellery Council Code of Practices 2013)

Workers – Includes employees (individuals who have entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied and whether oral or in writing, or as defined by Applicable Law), and Contractors (an individual, company or other legal entity that carries out work or performs services pursuant to a contract for services). (Adapted from Responsible Jewellery Council Code of Practices 2013)

Implementation

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

2.1 Environmental, Social and Governance Policy

The Entity shall:

a. Implement and maintain integrated or stand-alone Policies consistent with the environmental, social and governance practices included in this Standard.

b. Have senior management endorse the Policies and support through provision of resources.

c. Regularly review the effectiveness of the Policies developed in 2.1(a) and, where required, identify and implement improvements, and regularly review the Policies. The duration of time between reviews shall not exceed five years.

d. Communicate the Policies internally and externally as appropriate.

Application:

• This Criterion applies to all Facilities.

Background:

• Policies are the most common way for a Business to demonstrate commitment from the top, set the platform for more detailed Procedures and practices and communicate to Affected Populations and Organisations stakeholders on principles and intentions. Changes frequently occur within Businesses, and in
the broader context in which they operate. Regular review of Policies and implementation will identify gaps where improvements are needed.

**Points to Consider in Implementing Criterion 2.1:**

**For 2.1(a):**
- Adopt an environmental, social and governance Policy or set of Policies, which are broadly in line with the ASI Performance Standard, and implement these as part of your Management Systems.
  - Policies should include statements of principles and intentions which supports achievement of the requirements specified in the ASI Performance Standard.
  - Policies should be relevant and aligned with the Entity's Business, scale and related impacts.
  - Note that these Policies do not need to be integrated in a single documented system, nor covered by a single management team.

**For 2.1(b):**
- Senior management should demonstrate commitment to the implementation of the Policy/ies through some of the following actions:
  - Ensuring that Business activities are in line with the Policy/ies
  - Regularly reviewing and updating, as necessary, environmental, social and governance Policies
  - Checking that the Policies are reflected in operational Policies and Procedures necessary to embed them throughout the organisation
  - Identifying any potential gaps between Policies and actual Business practices
  - Implementing action plans to address any gaps
  - Even for small Businesses, an annual discussion among senior management can be an opportunity to review issues and check progress.

**For 2.1(c):**
- Conduct regular reviews of the environmental, social and governance Policies. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - The degree to which the Policies are aligned with existing Business practices
  - Changes within the company or external to the Business which would impact the Policies (including any mergers and/or acquisitions)
  - Alignment with legal requirements.
  - A significant event, such as merger or acquisition or an identified material breach of the Code of Conduct may trigger an earlier or more frequent review.

- Following a review, improvements should be identified and implemented where required. Where required could include when the Code of Conduct has been found to:
  - Not be fully effective in meeting its objectives
  - Not meeting stakeholder expectations
  - Not aligned with leading practices
  - Not meeting legislative requirements

**For 2.1(d):**
- Communicate the Policies internally to all Workers. This may be achieved through the prominent display of the Policies, both in full form and in educational posters, and through induction, awareness and refresher training. Some items to consider are that...
- Ensure staff are aware of the social and governance Policies relevant for the specific responsibilities and tasks they are performing.
- Staff should be knowledgeable about the company Policies that are directly linked to their position.
- Awareness raising and capacity building will help staff to embed the Policies in their own work and procedures.
- Consider communicating your Policies could be communicated externally to stakeholders, Affected Populations and Organisations, including to company Contractors, where relevant, to raise awareness of the commitments with Business partners, service providers and suppliers. This could be via the website, making it available on request, or visible to on-site Visitors.

2.2 Management Representative

Leadership
The Entity shall nominate at least one senior Management Representative as having overall responsibility and authority for ensuring Conformance with this Standard.

- Lead the implementation of integrated or stand-alone Policies consistent with the environmental, social, and governance practices included in this Standard.
- Lead communication of the Policies internally, and externally as appropriate.
- Provide the resources needed to establish, implement, maintain and improve the ASI Performance Standard Management System.

Application:
- This Criterion applies to all Facilities.

Points to consider in Implementing Criterion 2.2:

For 2.2(a):
- The Entity could consider nominating a person or group of persons at senior management level with appropriate responsibility and authority for the implementation of the ASI Performance Standard. This individual or group of persons should have:
  - Knowledge of how the operation works
  - Familiarity with internal systems
  - Engagement with the risk analysis departments.

For 2.2(c):
- The Entity shall Ensure there are sufficient human and material resources to support the implementation of the Standard.
  - Consider the need for training and capacity building to support the development of knowledge and understanding of the ASI program, as needed within the organisation.

- This Criterion is modelled on ISO 14001 and 45001. Further Guidance can be found within those documents.

2.3 Environmental and Social Management Systems

The Entity shall document and implement integrated or stand-alone:

- Environmental Management Systems.
- Social Management Systems.

Application:
- This Criterion applies to all Facilities.

Background:
- Management Systems are the engine room for how an organisation translates its corporate Policies and goals into actions where the work is performed. They are relevant for all types of operations, and will vary
depending on the nature, scale and key risks of the Business. The benefits of an effective Management System include:

- More efficient use of resources
- Improved risk management
- Increased customer and stakeholder satisfaction when outcomes align with Policies.

In general terms, the following are elements of effective Management Systems:

- Risk assessments to identify and characterise actual and potential risks, and prioritise areas requiring additional focus
- Senior management assigned responsibility for key risk areas
- Written Policies and Procedures to provide consistent information to employees and Contractors across different levels and areas of the Business. If preparing these materials for the first time, think of ways to be efficient. For example, Policies and Procedures can be recorded in a presentation used for training purposes
- Record keeping to manage important data and information, enhance accountability and measure progress over time
- Training to help personnel focus on priorities, learning what they need to do and keep pace with a flexible and evolving Business
- Regular reviews and updates of the risks assessments and Management Systems, including a review by senior management on the effectiveness and appropriateness of the Management System.

Points to Consider in Implementing Criterion 2.3:

- When developing, adopt and implement documented systems that consider identifying your main environmental and social and Occupational Health and Safety impacts and include management provisions for preventing and/or mitigating these impacts.
- Where the management of Occupational Health & Safety, environmental and social impacts may affect local stakeholders, including Indigenous peoples, Affected Populations and Organisations, the interests of these affected parties should be considered when site level Management Systems are designed, implemented and monitored.
- International standards such as ISO 14001, ISO 26000, SA8000, OHSAS 18001 and ISO 45001 offer Management System models that may be relevant for some Businesses. The Assurance Manual identifies External Standards and Schemes that would fulfil the requirements of this Criterion.
  - Note: ISO is currently developing a new standard, ISO 45001, Occupational health and safety management systems - Requirements, which will be referenced here once available.

For 2.3(b):

- Social Management Systems should consider impacts to Workers as well as the broader community and should include consideration of Human Rights, labour rights and Occupational Health and Safety.

Points to Consider in Auditing Criterion 2.3:

- Documentation that is fit for purpose and consistent is usually the foundation of a functional Management System, and thus may be quite simple for smaller Businesses.

**2.4 Responsible Sourcing**

The Entity shall:

- Implement a responsible sourcing Policy covering environmental, social and governance issues.
- Publicly disclose the Code of Conduct or similar instrument.
- Regularly review the effectiveness of the responsible sourcing Policy and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.
Application:
- This Criterion applies to all Facilities.

Background:
- European Aluminium has developed a resource sourcing toolkit which is available to ASI Members and can be found in elementAl, in the ‘Downloads’ tab.

Points to Consider in Implementing Criterion 2.4:
- Additional guidance on responsible sourcing can be found in Criterion 9.1 Human Rights (related to Human Rights Due Diligence) and Criterion 9.8 Conflict Affected and High Risk Areas.
- Develop, adopt and implement a responsible sourcing Policy.
  o Identify relevant environmental, social and governance issues that relate to sourcing of goods and services. The Policy may be extended to cover other raw materials used to produce metal such as coke, pitch and cryolite.
  o Consider risks to people or the environment at the supply level, such as violation of Human and labour Rights, or negative environmental impacts resulting from suppliers/operations.
  o Seek to address these in a manner commensurate with the company’s control or influence over the suppliers of these goods and services. Consider how the Policy can be integrated through all relevant levels of the Business.
- Larger companies should have a documented responsible sourcing Policy and consider using tools such as supplier Due Diligence processes, risk evaluations, sustainability questionnaires, and integration of sustainability in contracts, supplier audits and ad hoc teams to address identified issues. For further advice on supply chain Due Diligence approaches, consult available references including the International Financial Corporation (IFC) Performance Standard 1 – Guidance Note, the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas and the GRI and RMI Reporting Toolkit.
- Consider making your responsible sourcing Policy (or a summary) publicly available and communicate it to all relevant suppliers.
  o Supplier communication mechanisms could include making reference in purchasing orders or contract documentation, in newsletters and on your website.
- Regularly monitor and measure progress in relation to the implementation of your responsible sourcing Policy. Larger companies can consider setting responsible procurement targets, where relevant.
- Larger firms should consider conducting a detailed Due Diligence assessment on high-risk suppliers, as identified through internal screening and assessment processes.

For 2.4(c)
- Conduct regular reviews of the responsible sourcing Policy. Consider involving Affected Populations and Organizations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  o The size and scope of the Business and the supply chain
  o The degree of risk in the geographic locations where the supplier and the Business operates and/or activities in which the supplier(s) participates
  o The degree to which the responsible sourcing Policy is aligned with existing company practices
  o Changes within the Business or external to the Business which would impact the responsible sourcing Policy (including any mergers and/or acquisitions)
  o Alignment with legal requirements.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the responsible sourcing Policy, may trigger an earlier or more frequent review.
• Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the responsible sourcing Policy has been found to:
  o Not be fully effective in meeting its objectives
  o Not meeting stakeholder expectations
  o Not aligned with leading practices
  o Not meeting legislative requirements.

Points to Consider in Auditing Criterion 2.4:
• It is expected that during an initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 2.4b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance / Re-certification Audits would verify the review was conducted as planned.

2.5 The Entity shall conduct environmental, social, cultural and Human Rights Impact Assessments, including a gender analysis, for new projects or major changes to existing facilities. *Environmental and Social Impact Assessments*

2.6 The Entity shall:
   a. Conduct an environmental and social Impact Assessment for New Projects or Major Changes to existing Facilities.
   b. Ensure Impact Assessments will consider how baseline conditions are affected by Historic Aluminium Operations.
   c. Develop and implement an environmental and social impact management plan to prevent, mitigate and, where necessary, remediate any material significant impacts identified.
   d. Regularly review the effectiveness of the environmental and social impact management plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.
   e. Publicly disclose the environmental and social Impact Assessment, the environmental, the environmental and social impact management plan and the review.

Application:
• This Criterion applies to all Facilities with a New Project or Major Change to existing Facilities.

Points to Consider in Implementing Criterion 2.5:
• Examples of a Major Change include expansions or major retrofits and changes to emissions-generating components of the operation.
• Consider putting in place a process should be in place to screen developments, expansions, significant changes to operating Facilities and in the case of mining, significant exploration activities, to determine if there are environmental and/or social risks and impacts that require an Environmental and Social Impact Assessment (ESIA).
  o The form and timing of Impact Assessments are often defined by Applicable Law.
  o Initiation of Impact Assessment should begin at as early a stage as possible.
  o Consider the nature, scale and risks of the project. For example, what might be appropriate at an exploration stage may be different than for a large-scale mining project.
• Before New Projects or Major Changes to existing Facilities are undertaken, conduct an Impact Assessment that addresses potentially negative impacts on environmental, social (including health), cultural and Human Rights attributes as part of Criterion 2.6. In conducting an ESIA consider:
  o Identification of risks and impacts should be based on recent environmental and social baseline data, at a level of detail that is appropriate to the nature of the project (for example greenfield vs brownfield sites).
Consider impacts at the landscape level and identify any related land use planning required, including temporary uses of land. Temporary uses of land may include other short or long term industrial, agricultural or Community activities, relocation and access roads, storage and disposal areas and construction camps.

Consider the impacts of Associated Facilities, which are Facilities that are not funded as part of the project and would not have been constructed or expanded if the project did not exist, but without which the project would not be viable. These may include railways, roads, ports, dams, captive power plants, or transmission lines, pipelines, utilities, warehouses, and logistics terminals. Consider potential synergies with Community and regional development, and the value of project partners working to infrastructure design standards and protocols such as Global Infrastructure Basel and, where relevant, the Hydropower Sustainability Protocol.

Consider cumulative impacts, which result from the incremental impact, on areas or resources used or directly impacted by the project, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted. Some examples of cumulative impacts include: incremental contribution of gaseous emissions to an airshed, reduction of water flows in a Watershed due to multiple withdrawals, increases in sediment loads to a Watershed, interference with migratory routes or wildlife movement, or more traffic congestion and accidents due to increases in vehicular traffic on Community roadways.

Human rights impact assessment (HRIA) should use international human rights law as its framework, and take into account differential impacts on women, children, the elderly and marginalised sectors of society. Human rights impacts may be assessed as part of either or both a social/environmental Impact Assessment, or as a standalone assessment.

The Impact Assessment should include an analysis of alternative approaches to the design of the project, where appropriate. The Biodiversity Mitigation Hierarchy should be followed, favouring avoidance of impacts over mitigation. (See Principle 8 Biodiversity for more information on the Biodiversity Mitigation Hierarchy for biodiversity impacts.)

For Bauxite Mining, Alumina Refining and Aluminium Smelting projects, include plans for Rehabilitation at closure or decommissioning of the Facility (see Criterion 8.7 and 2.10).

While most developing countries have regulation for impact assessment, in some cases there may be inadequate resources to implement and oversee such processes. In these situations, ASI members should nonetheless strive to implement good practice assessment approaches.

For further advice on Impact Assessments, consult available references including the International Association of Impact Assessment – Best Practice resources, the IGF document on Environmental and Social Assessments and the International Financial Corporation (IFC) Performance Standard 1 – Guidance Note.

Where a Bauxite Mining operation and related infrastructure is proposed in an area of significant conservation value, the environmental component of the Impact Assessment should consider:

- Biodiversity assessments of areas containing significant conservation value should be conducted by Qualified Experts, via a standardised approach.
- A cumulative Impact Assessment linked to the proposed project, as well as regional planning studies to account for indirect impacts on the environment caused by the operation, such as infrastructure, long-term settlements, logging, poaching, etc.
- The appropriate avoidance, mitigation and offsets to manage identified impacts. Evaluation of options should consider associated social impacts. These could include the provision of basic resources (food, water, energy) and other natural resources (including Waste management) needed to sustain the lives of Workers’ families and associated Communities and prevent inappropriate logging, water abstraction, agricultural development, poaching, habitat loss and fragmentation.

Appropriately Qualified Experts should carry out Impact Assessments. Consider the following:

- Often Qualified Specialists need to be engaged to carry out baseline studies and to facilitate and document the outcomes of an Impact Assessment.
The assessment should reflect the characteristics and interests of affected Communities, and it should involve meaningful participation of those identified as disadvantaged or Vulnerable or At-Risk.

Impact Assessments are often more credible if prepared or at least peer reviewed by an independent firm.

Impact Assessments should be conducted within the context of an overall system for managing risks and impacts (see Criterion 2.3).

- Documented action plans and Procedures should be established and implemented, as part of Management Systems to address the identified environmental and social risks and impacts and ensure compliance with Applicable Laws, regulations and licenses.
  - Undertake monitoring of key indicators derived from the identified potential impacts on environmental, social, cultural, civil rights and gender attributes.

Conduct regular reviews of the environmental and social impact management plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:

- The size and scope of the Business
- The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
- The degree to which the environmental and social impact management plan is aligned with existing company practices
- The degree to which the environmental and social impact management plan is found to be effectively reducing or eliminating the identified risks
- Changes within the Business or external to the Business which would impact the environmental and social impact management plan (including any mergers and/or acquisitions, natural disasters, international crises including wars or pandemics, etc.)
- Changes over time in the expectations of Affected Populations and Organisations on the Member, Entity and/or sector
- Alignment with legal requirements.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the environmental and social impact management plan, may trigger an earlier or more frequent review.

Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the environmental and social impact management plan has been found to:

- Not be fully effective in meeting its objectives
- Not be meeting Affected Populations and Organisations’ expectations
- Not be aligned with leading best practices
- Not be meeting legislative requirements.

It is expected that during an Initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 2.5c would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance / Re-certification Audits would verify the review was conducted as planned.

### 2.6. Human Rights Impact Assessments

The Entity shall:

a. Conduct a Human Rights Impact Assessment, including a gender analysis, for New Projects or Major Changes to existing Facilities.

b. Ensure Impact Assessments will consider how Baseline Conditions are affected by Historic Aluminium Operations.

c. Develop and implement a gender-sensitive Human Rights impact management plan to prevent, mitigate and, where required, remediate any material impacts identified.
d. Regularly review the effectiveness of the Human Rights impact management plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

e. Publicly disclose the Human Rights Impact Assessment, the Human Rights impact management plan and the review, with due consideration for not posing risks to Affected Populations and Organisations or to legitimate requirements of commercial confidentiality.

f. Where Indigenous Peoples are involved: ensure the Human Rights Impact Assessment includes the assessment of Indigenous Peoples’ rights.

Application:

- This Criterion applies to all Facilities with a New Project or Major Change to existing Facilities.

Points to consider in Implementing Criterion 2.6:

- See Criterion 2.5 for more information on conducting Impact Assessments and for examples of what constitutes a Major Change.
- Human rights may be assessed either in a stand-alone assessment or as part of the ESIA required in Criterion 2.5.
- There are occasions when a New Project or Major Change would not necessitate a Human Rights Impact Assessment (HRIA) because there would be no impacted Indigenous Peoples or Rightsholders. The onus is on the Entity to conduct an analysis of whether there are impacted Indigenous Peoples or Rightsholders and in those instances where none are found, the Entity should provide Auditors with documentation showing how they confirmed that they have not impacted impacted Indigenous Peoples or Rightsholders associated with the New Project or Major Change.
- Human Rights Impact Assessment should use international Human Rights instruments as its framework, and take into account differential impacts on women, children, the elderly, and Vulnerable or At-Risk sectors of society. At minimum, an HRIA should consider the rights enumerated in the International Bill of Human Rights and the 8 Fundamental Conventions of the ILO.
- Where Indigenous Peoples are present:
  - Conduct Impact Assessments in consultation with the affected communities in line with global leading practices. For example, see the Canadian Government’s Practitioner’s Guide to the Impact Assessment Act, leading practitioners’ peer-reviewed literature, including ‘Impact Assessment and Project Appraisal’ by Ciaran O’Faircheallaigh, and the Akwé:Kon Guidelines published by the Convention on Biological Diversity.
  - The Area of Influence for a project includes the cultural area of impact as determined by the concerned Indigenous Peoples. Impact Assessments should include trans-boundary impacts in cases where Indigenous Peoples span national borders or are affected by projects with trans-boundary impacts.
  - Cumulative impacts include existing and foreseeable impacts of the proposed project, considered in light of other historical on-going, and planned activities located in or near Indigenous Peoples’ land and territories.
  - Participatory Impact Assessments provide Indigenous Peoples with the option to conduct aspects of the assessment themselves, where they so choose.
  - Health impacts from all stages of mining, refining or smelting projects should be assessed, carefully monitored and mitigated, with participation (where they desire) by affected Indigenous Communities.
  - Provide resources to enable Indigenous Peoples to select independent experts to review Impact Assessments.
- While no single, generally accepted methodology for HRIA exists, all of the available methodologies include common elements. An HRIA addresses conditions at an operation/project/site through the lens of Human Rights. Unlike all other Impact Assessment processes, it analyses impacts as experienced by Indigenous Peoples and Rightsholders, using Human Rights language derived from established, broadly accepted...
international Human Rights instruments. The following 10 key principles of an HRIA have been established collaboratively by leading HRIA practitioners and published by the Danish Institute for Human Rights:

1. Participatory: involving the direct engagement of affected Indigenous Peoples and Rightsholders, or in cases of extreme insecurity, their legitimate representatives
2. Non-Discriminatory: comprehensive of the various Indigenous Peoples and Rightsholders, reflecting diverse ages, genders, ethnicities, religions, employment and health statuses, places of origin, and socioeconomic statuses
3. Empowering: enabling Indigenous Peoples and Rightsholders to advocate for their Human Rights and to understand the assessment process and their role in it
4. Transparent: ensuring that information sharing, both about the process and outcomes of the HRIA, occurs both up the chain (from Indigenous Peoples and Rightsholders to assessors decision makers) and down the chain (from assessors and decision makers back to Indigenous Peoples and Rightsholders)
5. Accountable: assuring that follow-up is both directly planned for and inclusive of the appropriate duty-bearers (decision-makers) and Indigenous Peoples and Rightsholders (affected people)
6. Benchmarked: evaluating impacts using Human Rights language and established Human Rights standards of adequacy (at a minimum, this means that all rights listed in the Universal Declaration on Human Rights are evaluated, though most standards also require evaluation of the rights in the ILO Core Conventions and the International Covenant on Economic Social and Cultural Rights as well as the International Covenant on Civil and Political Rights)
7. Scoped: scoped to include adverse effects that the operation caused, contributed to, or benefitted from (sometimes referred to as “linked” through “Business relationships” such as supply chains or government partnerships)
8. Assessed for severity: all Human Rights impacts are not created equal, and interventions should be prioritized in the order of severity of the impact, not according to what might be most efficacious or affordable for the operation under assessment
9. Inclusive of mitigation measures: linked to the assessment hierarchy in point 8, the assessment should provide clear guidance for how adverse Human Rights effects should be reversed, prevented or mitigated
10. Inclusive of access to remedy: if an impact has already occurred, the HRIA should identify the remedy for it. As a corollary to this, Indigenous Peoples and Rightsholders should be able to report their impacts to companies, through rights-centered grievance mechanisms.

- These standards are consistent with the UN Guiding Principles, as well as the recently released OECD Due Diligence Guidance on Responsible Business Conduct.
- For the purposes of ASI Members implementing the Standard and of Auditors evaluating that implementation, these ten key principles can be converted into five primary indicators focused on the process of assessment. As process (rather than outcome) indicators, these can be audited without reading or judging the full HRIA for content, but rather focusing on the methodological processes used in the Human Rights Impact Assessment document. This does not ensure that a company’s Human Rights Due Diligence is adequate in its entirety, but rather that the processes in place are sufficient to have generated an assessment of impacts that constitutes an HRIA and so meets ASI Standards.
- The five primary components derived from the Danish Institute ten key principles are:
  i. Engages diverse Indigenous Peoples and Rightsholders directly (Participatory and Non-Discriminatory)
  ii. Includes analysis of “Business relationships” and encompasses all rights in the Universal Declaration (Scoped)
  iii. Includes feedback to/with Indigenous Peoples and Rightsholders (Empowering, Accountable and Transparent)
  iv. Rates impacts by severity (Benchmarked)
  v. Prioritizes interventions by severity of Human Rights impacts (Provides Mitigation and Remedy)
• All five primary components are important and necessary for an effective and complete HRIA. However, in most cases the success and effectiveness of any HRIA relies on the successful conduct of the first two primary components:
  o Engages diverse Indigenous Peoples and Rightsholders directly
  o Includes analysis of “Business relationships” and encompasses all rights in the Universal Declaration).

• Without these two steps, effective conduct of the remaining three components is highly improbable. Therefore, as will be explained in the next section, the implementation of these first two components takes priority over the remaining three components.

• An HRIA that has the first two primary components represents a strong effort towards meaningful assessment. Absence of the first two components may constitute a major failure of the Entity in implementing the Criterion and thus the Auditor should consider whether this absence is a Major Non-Conformance. Absence of any of the last three components would be more likely to constitute a minor failure of the HRIA, as exemplified in Table 2, and it is expected that an Auditor would be more likely to find these a Minor Non-Conformance. See the ASI Website for examples of HRIAs which meet the requirements of this Criterion.

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<thead>
<tr>
<th>Table 2 – Example HRIAs</th>
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<tr>
<td><strong>Example Type</strong></td>
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<tr>
<td>HRIA – meets all five requirements</td>
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<tr>
<td>HRIA – meets all five requirements</td>
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<tr>
<td>Human Rights Report – minor failure</td>
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<tr>
<td>HRIA – minor failure in 2 sites; major failure in 2 sites</td>
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<tr>
<td>Example Type</td>
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<td>--------------</td>
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<tr>
<td>Human Rights Assessment – major failure</td>
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</tbody>
</table>

- In instances where the HRIA does meet the five components however there is opportunity for the Entity to improve how this is done, Auditors have the option of making a Suggested Business Improvement (See section 8.13 in the ASI Assurance Manual). An example of a situation where a Suggested Business Improvement may be appropriate could be where a company has included feedback (Component 3) to most of the affected populations but missed one unintentionally (i.e. through a change in staff or a change in contact in the affected population).
- **ASI’s Performance Standard** requires an HRIA to be undertaken for New Projects or Major Changes to existing Facilities. Below in Appendix 1 is a decision tree to assist Auditors in determining whether a Member seeking ASI Certification in these circumstances has an appropriate HRIA, and how to differentiate between a potential major and minor failure, it is available below in both graphic and outline formats.
- See Appendix 1 for a flow chart which outlines how this Criterion may be evaluated during an Audit.
- Conduct regular reviews of the Human Rights impact management plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - The degree to which the Human Rights management plan is aligned with existing company practices
  - The degree to which the management plan effectively manages identified Human Rights risks
  - Changes within the Business or external to the Business which would impact the applicability of the existing Human Rights Impact management plan (including any mergers and/or acquisitions, natural disasters, outbreaks of conflict or other crises (e.g. pandemics), etc.)
  - Changes over time in the expectations of Affected Populations and Organisations on the Member, Entity and/or sector
  - Alignment with legal requirements.
  - Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the Human Rights impact management plan, may trigger an earlier or more frequent review.
- Following a review, improvements should be identified and implemented where required. ‘Where required’ would include when the Human Rights impact management plan has been found to:
  - Not be fully effective in meeting its objectives
2.6c  It is expected that during an initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 2.6c would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance /Re-certification Audits would verify the review was conducted as planned.

Management of the impact assessments identified in the HRIA may evolve into ongoing management through a social Management System (Criterion 2.3) and a Human Rights Due Diligence process (Criterion 9.1).

For 2.6(e) It is understood that there is a reasonable point where the documents identified in this Criterion documents wouldn’t logically continue to be shared with Affected Populations and Organisations.

For additional methodologies see:

- Danish Institute for Human Rights. Human Rights Impact Assessment Guidance and Toolbox

For additional key frameworks:


2.7 Emergency Response Plan

The Entity shall:

a. Have site specific emergency response plans developed in collaboration with potentially Workers and Affected Populations and Organisations affected stakeholder groups such as Communities, Workers and their representatives, and relevant agencies.

b. Regularly review the effectiveness of the emergency response plans, or in the absence of situations where the emergency response plans have been implemented, test the plan. Where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

Application:

- This Criterion applies to all Facilities.
Points to **Consider** in Implementing Criterion 2.7:

- Potential types of emergencies may relate to: fire, explosion, high volume materials, ground subsidence, release of chemicals to the environment, transportation of products, by-products, Wastes or supplies, pipelines, natural hazards such as weather and seismic events, non-operational Facilities such as closed mine sites, social unrest and other hazards, and health and safety incidents (see Principle 11).

- Develop, adopt and implement documented site-specific emergency plans covering all applicable hazards.
  - Base emergency plans on a risk analysis and include consideration of risk factors such as geographical location, climate, sensitivity of potentially affected ecosystems, etc. and potential impacts on people, environments and assets.
  - Identify the necessary emergency response participants and establish their roles, resources and concerns.
  - Develop the plans in collaboration with Workers and Affected Populations and Organisations such as Workers and their representatives, Communities including Vulnerable or At-Risk groups, and other relevant agencies, taking into account gender representation. It is recognized that Emergency Response Plans are often highly technical documents and the aim of consultation is not to see feedback on the technical analysis but to ensure that plan designers understand the full complexity of the potentially affected lands and Communities and that, conversely, that Communities understand how they are being safeguarded.
  - Establish Procedures for periodic testing, review and updating of plans.
  - Communicate the content of emergency response plans to potentially affected Stakeholders.

- Consider linking emergency response plans should also be linked back to your risk identification and Impact Assessment at a site and/or corporate level. Plans should take into account controls put in place to mitigate impacts on people, environments and assets.

For 2.7(b):

- Conduct regular reviews of the emergency response plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - The degree to which the emergency response plan is aligned with existing company practices
  - Changes within the Business or external to the Business which would impact the applicability of existing plans (e.g. changing rainfall patterns that might affect the adequacy of a dam break emergency response plan responsible sourcing Policy (including any mergers and/or acquisitions)
  - The occurrence of an emergency which necessitates implementation of the plan and identifies areas for improvement
  - Alignment with legal requirements.
  - Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the emergency response plan responsible sourcing Policy may trigger an earlier or more frequent review.

- Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the emergency response plan has been found to:
  - Not be fully effective in meetings its objectives
  - Not meeting stakeholder expectations
  - Not aligned with leading practices
  - Not meeting legislative requirements.

**Points to Consider in Auditing Criterion 2.7:**

• It is expected that during a Initial Certification Audit an Entity may have just implemented some of their Policies and Plans, and a review may not yet have been conducted. In these cases, it is expected that Criterion 2.7b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance /Re-certification Audits would verify the review was conducted as planned.

### 2.8 Suspended Operations

The Entity shall:

a. Develop a Business resilience plan which takes into account material 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. Regularly review the effectiveness of the Business resilience plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

**Application:**

- This Criterion applies to all Facilities.

**Points to Consider in Implementing Criterion 2.8:**

- Factors ‘outside an Entity’s control’ to consider include:
  - Conflict/civil unrest
  - Pandemics
  - Natural disasters
  - Climate change
  - Cyber attack.

- Significantly altering an operation could be a situation where:
  - Staffing levels are significantly reduced, for instance from three shifts to one or two
  - A project is not initiated or continued on the planned schedule
  - Part of the operation’s Facility is closed
  - A Facility maintains ‘care and maintenance’ operations only.

- To the extent possible, keep engaging with Affected Populations and Organisations, ensuring to consider gender specific needs and to ensure that the company is not exacerbating any significant issues by its actions or omissions.

- 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.

- Ensure that the suspension or alteration of operations does not have an adverse environmental impact including:
  - Management of all Waste storage facilities
  - Continuing to meet, to the extent possible, Rehabilitation commitments
  - Implementation of necessary components of the Biodiversity Action Plan
  - Continuing to meet environmental obligations such as managing weeds, Alien Species and feral animals and continuing with fire management.

For 2.8(b)
• Conduct regular reviews of the Business resilience plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  o The size and scope of the Business
  o The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  o The degree to which the Code of Conduct is aligned with existing Business practices
  o Changes within the company or external to the Business which would impact the Business resilience plan
  o Alignment with legal requirements
  A significant event, such as a merger or acquisition or an identified material breach of the business resilience plan may trigger an earlier or more frequent review.

• Following a review, improvements should be identified and implemented where required. Where required could include when the Code of Conduct has been found to:
  o Not be fully effective in meetings its objectives
  o Not meeting stakeholder expectations
  o Not be aligned with leading practices
  o Not meeting legislative requirements

2.9 Mergers and Acquisitions
The Entity shall:
  a. Due Diligence: review environmental, social and governance issues, including those associated with Historic Aluminium Operations, in the Due Diligence process for mergers and acquisitions.
  b. Post-merger or -acquisition: Where engaged in Bauxite Mining, Alumina Refining and/or Aluminium Smelting:
     i. Share information regarding the material significant impacts of Historic Aluminium Operations with Affected Populations and Organisations.
     ii. In Consultation and in cooperation with Affected Populations and Organisations develop an impact mitigation plan to mitigate any identified material significant impacts of the Historic Aluminium Operation.
     iii. Share progress against the impact mitigation plan with Affected Populations and Organisations annually.

Application:
• Criterion 2.9(a) applies to all Facilities.
• Criterion 2.9(b) applies to Facilities post-merger or -acquisition.

Background:
• There is a growing realisation of the contribution that environmental, social and governance (ESG) factors can make to value creation, as well as to risk management, for mergers and acquisitions. In 2012, a PwC survey found that:
  o Environment social and governance factors can affect the likelihood of the deal occurring. Poor performance on ESG factors can have a significant negative impact on the valuation of a deal
  o The cost and difficulty of bringing a target company up to the buyer’s standards with regards to managing ESG factors is a significant consideration in the deal process. Companies may consider integration as an opportunity to increase the value and efficiency of the acquired company, through improving areas of poor performance on ESG factors. However, if the standard of ESG management is too low then this opportunity cannot be fully realised
Many companies are developing a more systematic approach to ESG Due Diligence. Although many companies consider their general approach to sustainability to be quite advanced, a significant proportion recognise that they have a less well-developed approach to ESG Due Diligence for mergers and acquisitions.

**Points to Consider in Implementing Criterion 2.9:**

- For any planned mergers and acquisitions, undertake a Due Diligence process that reviews the environmental, social and governance issues relevant to the scope of the target operation/s, in addition to the financial Due Diligence. These might include:
  - Environmental: for example, pollution and contamination of land, air and water, related legal compliance issues, eco-efficiency, Waste management and recycling and reuse, water use and efficiency, energy use and efficiency, natural resource scarcity, climate change and carbon emissions reduction strategies, and hazardous chemicals
  - Social: for example, the treatment of Workers, health & safety, labour conditions, Child Labour, Forced Labour and Human Trafficking, Human Rights, supply chains, equality and diversity, and treating customers and communities fairly.
  - Governance: for example, the governance of environmental and social issue management, anti-Bribery and Corruption, Business ethics and transparency
- Consider risk factors for the above, such as operating locations, nature of the Business, and previous management and operational practices.
- As part of the Due Diligence, consider including an evaluation of potential management measures that could address and/or minimise negative social, environmental and governance impacts.
- For further advice on Due Diligence for environmental, social and governance risks, consult available references including the *International Financial Corporation (IFC) Performance Standard 1 – Guidance Note*, and the *UN Guiding Principles on Business and Human Rights*.

### 2.10 Closure, Decommissioning and Divestment

The Entity shall:

- Review environmental, social and governance issues in the planning process for closure, decommissioning and divestment.
- Where possible within the bounds of commercial sensitivity and in Consultation and cooperation with Affected Populations and Organisations, the Entity shall consultatively develop a program plan for post-closure, decommissioning and divestment monitoring of for managing material significant environmental, social and governance impacts, including Legacy Impacts, associated with the closure, decommission or divestment.

**Application:**

- This Criterion applies to all Facilities.

**Points to Consider in Implementing Criterion 2.10:**

- The planning process for closure, decommissioning or divestment of an operation is based on an ongoing assessment, identification and mitigation of risks, as per Criterion 2.3.
  - Closure planning can be complex as it usually deals with time horizons that can stretch over decades. Planners must try to deal with environmental, social, economic and governance parameters that, over the life of an operation and post-closure generations, will inevitably change.
  - As part of the planning process, develop and implement Policies and Procedures for any planned closure, decommissioning or divestment of operations.
- Associated Facilities under the Control of the company (such as railways, roads, dams, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals) should also be considered.
  o Workers, affected Communities, including Indigenous Peoples, and regulators are key Affected Populations and Organisations stakeholders in the planning process. Outcomes from stakeholder Consultations need to be taken into account in the closure, decommissioning and divestment plans.
  o Seek to identify management measures aimed at preventing negative social, environmental and governance impacts and promoting positive outcomes.
  o Provide adequate financial assurance, in consultation with governments and Communities Affected Populations and Organisations, to ensure that resources are available to meet closure and Mine Rehabilitation requirements.
  o Aim to restore the land to its prior state or ensure that value is added to the land in accordance with Community wishes and/or regulatory requirements, or other agreed end use.
  o Where Indigenous Peoples are present, Free Prior and Informed Consent (FPIC) processes (see Criterion 9.4) may be applicable.

- In the mining sector, an integrated approach to closure takes environmental, economic and social considerations into account from an early stage and continues throughout a mine site’s life. Fundamental to this approach is the need to consider closure as a core part of Business. (see Criterion 8.7 on Mine Rehabilitation).
  o In some cases, mines may close prematurely, for example through low commodity prices, regulatory changes, technical challenges or social conflict – not just depletion of reserves. Early planning is essential.
  o Mine sites should place a strong emphasis on Community participation in the development and implementation of a Mine Closure and Rehabilitation Plan.
  o Since mining represents a transient land use, in areas with significant biodiversity values, the aspiration should be to restore land used for mining to a future use that takes these values into account.
  o Additionally, closure costs are often substantially incurred after the mine is no longer generating revenue. Consequently, financial provisions for closure must be either set aside prior to or during active operations, provided by other revenue streams, or made available through the security of other assets. The choice of financial assurance option may depend on regulatory requirements.

- For 2.9(b)
  o It is recognized that Consultations with Affected Populations and Organisations will potentially be limited in scope and timing due to the commercial sensitivity of the closure, divestment or decommissioning.
  o Consider developing the plan for monitoring the environmental, social and governance issues identified in the review process in 2.9(b). Some of the issues may include Legacy Impacts which pre-date the Members ownership of the Facility.
  o While related to the coal industry, Responsible Disengagement from Coal as Part of a Just Transition by SOMO may provide some insights on managing Human Rights impacts involved in closures, decommissioning and divestments.
3. Transparency

**Principle**
The Entity shall be transparent in alignment with internationally recognised reporting Standards.

**Related Criteria**
1.2 Anti-Corruption
7.3 Disclosure of Water Usage and Risks
**Principle 9 – Human Rights**

**Applicability**

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<thead>
<tr>
<th>Supply chain activity</th>
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<th>3.2</th>
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<td>Bauxite Mining</td>
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<td>Alumina Refining</td>
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<td>Aluminium Re-melting/Refining</td>
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<td>Other manufacturing or sale of products containing Aluminium</td>
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**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**

Transparency is an increasing and evolving expectation of the private sector, which aims to promote accountability and enable third parties to understand and evaluate performance and impacts. The ASI Performance Standard address several dimensions of transparency: Sustainability Reporting, including regarding non-Compliance and liabilities and payments to governments, and Complaints Resolution Mechanism.

**Key Concepts**

**Complaints Resolution Mechanism** – A formal process that can be used by individuals, Workers, Communities and/or civil society organisations to raise concerns about Business activities and operations as a means of accessing remedy. (Adapted from Human Rights and Grievance Mechanisms)

**Sustainability Reporting** – Reports published by a company or organisation about the economic, environmental and social impacts caused by its everyday activities. (Adapted from the Global Reporting Initiative)

**Implementation**
The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.
3.1 Sustainability Reporting
The Entity shall publicly disclose its governance approach and its material environmental, social and economic impacts.

Application:
- This Criterion applies to all Facilities.

Background:
- Companies are increasingly incorporating environmental, social and economic information into their public reporting. Often framed as ‘Sustainability Reporting’, it responds to the expectations of a wide range of Stakeholders, including regulators, civil society, shareholders, Communities, Workers and customers. The need for common frameworks for Sustainability Reporting led to the development of the Global Reporting Initiative (GRI) in 1997. Other reporting frameworks continue to emerge to focus on particular regulatory contexts, sectors and issues. Two areas for disclosure that are particularly noted in the ASI Performance Standard are non-compliances and liabilities, and payments to governments.

Points to Consider in Implementing this Criterion 3.1:
- In the organisation’s report/communications, consider how to communicate the following in a suitable form for Affected Populations and Organisations:
  - The key issues that are of interest to Stakeholders and/or are material to the company
  - The organisation’s Policies or positions with respect to these
  - Any actions the organisation has taken or plans to take with respect to these, for example in your own operations or through involvement in Community or industry initiatives
  - Where possible, quantitative or qualitative outcomes that the actions have achieved or are expected to achieve
  - Where particular issues such as Human or labour Rights impacts have been raised by Affected Populations and Organisations, the report/communication should aim to provide information sufficient to assess the adequacy of the organisation’s response.

- Systems for data collection, integrity and verification should be established and coordinated with existing Management Systems and Business review processes.
- Consider undertaking a materiality assessment should be undertaken to determine those indicators that are most relevant to the Entity, and reporting undertaken commensurate to those material impacts. A Sustainability Report should cover aspects that reflect the Entity’s significant economic, environmental and social impacts or substantively influence the assessments and decisions of Affected Populations and Organisations. Guidance on how to effectively undertake a materiality assessment for the purposes of public reporting is provided in the GRI Standards (GRI 101: Foundation Material Topics 2021).
- Opportunities for the harmonisation of Sustainability Reporting should be identified, where applicable, for example:
  - Annual financial reporting
  - Business contributions to the UN Sustainable Development Goals (SDGs)
  - Reporting on implementation of the UN Guiding Principles for Business and Human Rights (see Criterion 9.1)
  - Communicating progress under the Global Compact
  - Disclosing revenues under the Extractive Industries Transparency Initiative (EITI)
  - Stakeholder, community, Affected Populations and Organisations, including Workers, engagement processes
  - Regulatory reporting, for example disclosures on modern slavery or supply chain Due Diligence
  - Information for ethical investment markets.
Consider aligning Sustainability Reporting with the annual public reporting on Due Diligence systems and practices required under Criterion 9.8 (Conflict-Affected and High-Risk Areas).

Companies are recommended to follow the guidelines produced by the Global Reporting Initiative (GRI), or similar reporting guidelines.

For small to medium enterprises (SMEs), it is sufficient to make information available on its governance structure and a summary of the material impacts (environmental, social and economic). This can be in the form of a memorandum or email, or information on the company’s website, and does not need to be a printed publication.

“Publicly available” refers to a document or a series of documents being communicated to stakeholders either through the organisation’s website (for large companies), or making them available upon request (SMEs).

Reporting should be of a frequency that is relevant for the business. Large companies would normally be expected to produce annual reports, while small to medium enterprises may update their communications less frequently, in proportion to the scale of their business and its impacts.

### 3.2 Non-Compliance and Liabilities

The Entity shall publicly disclose information on material significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law.

**Application:**

- This Criterion applies to all Facilities.

**Background:**

- The level of non-Compliances of an Entity may indicate the ability of management to ensure that its operations Conform to certain performance parameters. From an economic perspective, ensuring Compliance assists in reducing financial risks that occur either directly through penalties and prosecutions, or indirectly through impacts on its reputation. In some circumstances, non-Compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organisation’s Compliance record can also affect its ability to expand operations or gain permits. (GRI 307: Environmental Compliance 2016 and GRI 419 Socioeconomic Compliance 2016) (GRI G4 Guidance)

**Points to Consider in Implementing Criterion 3.2:**

- Identify administrative or judicial sanctions for failure to comply with environmental or social laws and regulations. Disclose material significant fines and non-monetary sanctions in terms of:
  - Total monetary value of material significant fines
  - Total number of non-monetary sanctions
  - Cases brought through Complaints Resolution Mechanisms
  - The corrective action that has been taken to address the non-Compliance/s.

- Where organisations have not identified any non-Compliance with laws or regulations, a brief statement of this fact is sufficient.

- In cases where disputes are resolved according to Customary Law, the terms of settlement may be publicly disclosed with consent.

- Disclosure can take place through the Entity’s website, or through information included in an annual report and/or sustainability report and in accordance with Applicable Law.

### 3.3 Payments to Governments

The Entity shall:

- Only make, or have made on its behalf, payments to governments, including political parties, on a legal and/or contractual basis.

Where engaged in Bauxite Mining:
a. b. Publicly disclose payments to governments building on existing audit and assurance systems.

b. c. Publicly disclose the value and beneficiaries of financial and in-kind political contributions, whether made directly or through an intermediary.

Application:
- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 3.3:

For 3.3(a):
- For Criterion 3.3a, Consider ensuring that the organisation’s anti-Corruption Policy has requirements in place ensuring that any payments to governments made by or on its behalf have a solid legal and/or contractual basis. Auditing payments to governments can be part of routine financial auditing.

For 3.3(b):
- For Criterion 3.3b, Transparency of payments to governments can help prevent conflict around mining activities and demonstrate the contribution that mining investment makes to a country.
- The Extractive Industries Transparency Initiative (EITI) is a multi-stakeholder initiative comprised of governments, companies, civil society groups, investors and international organisations, which sets a global standard for companies to publish what they pay and for governments to disclose what they receive. Compliance with 3.3b can be achieved through implementation of EITI.
  - Endorse the EITI Principles and Criteria, in the form of a Policy or similar, and make this available on the company website.
  - Disclose all material payments made to participating governments in the form of taxes, royalties, signature bonuses and other forms of payments or benefits. This should be in the form of applicable reporting templates and country workplans. The EITI Business Guide provides advice as to EITI reporting requirements.
  - Disclosure of payments to governments in non-EITI countries is also encouraged, where contract confidentiality provisions allow such disclosure.

3.4 Stakeholder Complaints, Grievances and Requests for Information

The Entity shall:

a. Implement accessible, transparent, understandable and culturally and gender sensitive Complaints Resolution Mechanisms that are:
   i. Accessible
   ii. Transparent
   iii. Understandable
   iv. Culturally sensitive
   v. Gender sensitive
   and adequate to address stakeholder complaints, grievances and requests for information relating to its operations.

b. Share the Complaints Resolution Mechanisms with relevant Affected Populations and Organisations during Consultations required by this Standard.

c. Regularly review the effectiveness of the Complaints Resolution Mechanism, and where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

Application:
- This Criterion applies to all Facilities.
Background:

- Effective rights-compatible complaints and grievance mechanisms offer a channel for individuals and communities affected by an organisation’s activities to raise concerns early, openly, on an informed basis, with due protection and in an atmosphere of respect. They have the potential to limit dispute escalation, facilitate dispute resolution and contribute to the prevention of future disputes by enabling learning and enhancing relationships. Human rights are an important dimension of complaints and grievance mechanisms, both in terms of the process for dealing with disputes and in the potential scope of complaints.

Points to consider in implementing Criterion 3.4:

- The focus of this Criterion is on mechanisms that a company can credibly establish, ideally in cooperation with key Affected Populations and Organisations stakeholders. This does not include adjudicative mechanisms (judicial or non-judicial) which should be situated at least one step away from all parties, including the company. Instead, the emphasis here is on dialogue-based processes. These should encourage early resolution of issues at the local level wherever possible, without precluding access to other mechanisms.

- Complaints Resolution Mechanisms should be tailored to suit the industry, country and culture for which they are designed. In developing the Complaints Resolution Mechanism, consider Documented Procedures should indicate clearly how complaints, grievances and/or requests for information are addressed, including:
  - Who Affected Populations and Organisations Stakeholders can contact to raise questions or get more information
  - Who is responsible for receiving and registering complaints and grievances
  - How they are addressed and by whom
  - What are the indicative timeframes for the various phases of complaint resolution
  - How some matters may proceed through escalation channels
  - What provisions exist for appeals
  - How the process aims to be sensitive to gender and take into account cultural aspects that are relevant to the organisation’s operations
  - How the process will apply to Contractors or other agents acting on the organisation’s behalf
  - How records will be maintained
  - How processes and outcomes will be reported and evaluated.

- Consider developing the mechanism through meaningful Consultation with relevant Affected Populations and Organisations, with ongoing engagement as part of regular evaluation and improvement of the mechanism and operations. Operators may consider participating in “Worker-driven” or “Community-driven” mechanisms that originate from the Affected Populations and Organisations themselves. Consultations should account for geographical, structural, socio-political and economic barriers to information access.

- Provide the mechanism with an appropriate degree of independence from Business activities. This can include:
  - Transparent hiring processes and appropriate reporting lines
  - Control over a predictable budget
  - Autonomy over Policies and Procedures
  - The ability to accept and handle grievances independently of management
  - The use of an independent, multi-stakeholder advisory panel, that is gender-balanced and properly representative of anticipated user groups and interests.

- Consider strengthening the strong authority of the mechanism, particularly through direct links to senior management, to affect change at an operational and institutional level. The grievance officer must hold the power to implement changes in operations management.
• Ensure that technologies used in connection with grievance processes (for instance, in the collection and communication of information or the handling of grievances) comply with Applicable Law, Policies and Standards as regards privacy and data protection.

• Consider proactively seek feedback from Affected Populations and Organisations at the conclusion of cases and at regular intervals thereafter as to their experiences with the mechanism and ways that it could be improved.

• Draw from external sources of expertise (e.g. independent advisory panels, civil society organisations, Labour Unions or national Human Rights institutions) to ensure that the activities envisaged are methodologically rigorous from a Human Rights perspective and are implemented correctly.

• Operators should consider developing and disseminate robust Policies on safeguarding against retaliation, on management of internal investigation, and on management of conflicts of interest and other ethical matters. Where complainants face reprisal risks, clear protocols for safeguarding their welfare should be in place.

• It is important for the Human Rights implications of remedies to be properly assessed and addressed so that the mechanism does not contribute to further harm. This requires a thorough understanding of the sociocultural and economic context within which remedial outcomes will be implemented, including an understanding of Legacy Issues (e.g. past Human Rights violations by state actors, such as in the context of forcible removals of people from land) and problems of entrenched gender or other forms of Discrimination. Critically evaluating the effectiveness of remedial outcomes in practice can help mechanisms capture and properly implement “lessons learned” about ensuring rights-compatibility of remedial outcomes.

• The UN Human Rights Council include a list of effectiveness criteria for rights-compatible grievance mechanisms, which provides general guidance for design. Additional guidance on developing Complaints Resolution Mechanisms can be found at
  a. The Harvard University’s Rights Compatible Grievance Mechanisms
  b. ICMM’s Handling and Resolving Local-Level Concerns and Grievances: Human rights in the mining and metals sector
  c. The CAO’s Grievance Mechanism Toolkit

For 3.4(a)(i) Accessibility

• Consider how to make the mechanism accessible to all relevant Communities and Community members. For example:
  o Complaints could be accepted and addressed irrespective of the form in which they are made (e.g. oral communications in local languages, where Communities would have difficulty interfacing with technical processes or documents)
  o Impacted stakeholder Affected Populations and Organisations groups may request access to independent information and/or expertise, or a facilitator or mediator to support the dialogue process for some grievances
  o Anonymity may be important for some stakeholder groups or in some contexts, such as in situations of social conflict or in cases of whistleblowing.

• In some cases, such as where Affected Populations and Organisations are geographically widely spread, difficult to identify or locate, or otherwise difficult to reach, multiple access points and media will be needed for making complaints.

• Eligibility criteria to initiate grievance processes should be clear, minimal, and consistently and fairly applied. Time limits for accessing the mechanism (statutes of limitation) should be avoided, as Affected Populations and Organisation may not immediately recognize abuses, be aware of the Complaints Resolution Mechanism, or face other barriers to complaint-making.
• Procedures for receiving grievances and for engaging with Affected Populations and Organisations should accommodate the languages most commonly spoken by the Affected Populations and Organisations and an array of media to accommodate varying literacy levels, mobile phone access and other barriers to usage. To address specific barriers that are faced by women, companies should evaluate cultural, physical security, job security, and cost (e.g. of arranging childcare) barriers to complaint-making.

• Organisations should take steps to reduce financial barriers that may be associated with the mechanism’s use. Examples include making available, free of charge, appropriate advisory and support services (e.g. through helplines or designated case Workers), offline and online resources (e.g. pamphlets and videos), and assistance with translation of documents and other information. Furthermore, appropriate adjustments should be made to enhance access to different groups of Affected Populations and Organisations such as persons with disabilities, e.g., through the provision of resources in braille and audio formats.

• The mechanism should preserve an appropriate degree of confidentiality as regards the identity of the person raising a grievance and the grievance process itself, taking into account the particular needs of people who may be at heightened risk of vulnerability or marginalization.

• Where Indigenous Peoples are present, design of operational level grievance mechanisms should give due consideration to their customary law and legal systems.

• Where requested to do so by Indigenous Peoples, organisations should participate in existing customary grievance mechanisms.

For 3.4(a)(ii), Transparency

• Regularly communicate, through a range of different channels, statistics, case studies and/or other detailed information relevant to the mechanism’s performance with a view to providing readily accessible information to the public on matters such as:
  o The types and nature of grievances
  o The number of requests for initiation of grievance processes
  o The number of requests that were rejected by the mechanism, and on what grounds
  o The number of completed grievance processes, including by type of grievance
  o The outcomes of grievance processes (including the outcomes of any follow-up activities undertaken by the mechanism)
  o Affected Populations and Organisations’ satisfaction with the performance of the mechanism in general and in specific cases
  o Any other data, information or analysis relevant to the goal of improving the understanding of rights holders of the operation and performance of the mechanism in practice.

• This transparency should be consistent with protecting Affected Populations and Organisations from any risks to themselves (particularly from retaliation), and respecting commitments as regards confidentiality (including with respect to legitimate requirements of commercial confidentiality). The mechanism should consider presenting information in redacted or aggregated formats, such as anonymized case summaries. Whatever solution is adopted, it is important that the input of Affected Populations and Organisations is sought and properly taken into account.

For 3.4(a)(iii), Understandable Predictability

• Consider The organisation publishing indicative time frames within which key decisions will be taken and milestones reached.

• In circumstances where a mechanism seeks to cooperate with another grievance mechanism or a state agency, Affected Populations and Organisations should be consulted and reserve their rights to object. The mechanism should take account of risks of retaliation from both state and non-state actors as a result of any such cooperation.
• Foster a proper understanding among Affected Populations and Organisations of the work of the mechanism by publishing and proactively disseminating information on what the mechanism can and cannot offer.

For 3.4(a)(iv) Culturally SensitivePredictability
• Affected Populations and Organisations should be meaningfully consulted about the type of remedy and the manner in which it should be delivered, recognizing that an effective remedy will vary depending on the circumstances of the case and the needs of the Affected Populations and Organisations in question and may comprise financial remedies (and similar forms of reparation) and non-financial remedies (including acknowledgements, apologies and other symbolic remedies), as well as timely preventive remedies to mitigate or prevent future harm.

For 3.4(a)(v) Gender SensitivePredictability
• Complaints pertaining to migrants, women and other Vulnerable or At-Risk groups may require oversight through committee-based mechanisms representative of the complainant (e.g. women or Migrant Worker-representatives), which may require specific expertise (e.g. sexual Harassment expertise or labour trafficking expertise).
• Where structural, sociocultural and economic barriers prevent population subgroups (such as ethnic or racial minorities, women or gender minorities) from bringing complaints, anonymous complaints should be encouraged. Where needed, women, marginalized groups and minorities should be provided assistance in complaint-making (e.g. funding additional resources, enable access to independent advice or mediation).
• Consider keeping proper records, such as databases on frequency, patterns and causes of grievances, which can be disaggregated (i) to show patterns of use by different genders and stakeholder groups, and (ii) to assist with the identification of barriers to access and their causes, particularly barriers due to gender-based Discrimination and those facing Affected Populations and Organisations who may be at heightened risk of vulnerability or marginalization.

For 3.4(b)
• Ensure that all relevant stakeholders, including where applicable, affected Indigenous communities, Affected Populations and Organisation know of the existence of Complaints Resolution Mechanism and how to access it. This can be through various communication channels, such as stakeholder meetings, newsletters, and websites.

For 3.4(c)
• Conduct regular reviews of the Complaints Resolution Mechanism. The frequency of the review would be influenced by:
  o The size and scope of the Business
  o The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  o The degree to which the Complaints Resolution Mechanism is aligned with existing company practices
  o Alignment with legal requirements
  A significant event, such as a merger or acquisition or an identified material breach of the Complaints Resolution Mechanism, may trigger an earlier or more frequent review.
• Following a review, improvements should be identified and implemented where required. Where required could include when the Complaints Resolution Mechanism has been found to:
  o Not be fully effective in meeting its objectives
  o Not meeting stakeholder expectations
  o Not aligned with leading practices
  o Not meeting legislative requirements
Legitimacy: enabling trust from the stakeholder group for whose use they are intended, and being accountable for the fair conduct of grievance processes;

Accessibility: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance to those who may face particular barriers to access;

Predictability: providing a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

Equitability: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;

Transparency: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism’s performance to build confidence in its effectiveness and meet any public interest at stake;

Rights-compatibility: ensuring that outcomes and remedies accord with internationally-recognised human rights;

Dialogue and engagement: consulting the stakeholder group for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances;

Continuous learning: drawing on relevant measure to identify lessons for improving the mechanism and preventing future grievances and harms.
4. Material Stewardship

**Principle**
The Entity 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.

**Related Criteria**
2.3 Environmental and Social Management Systems

**Applicability**

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**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**
Material stewardship encompasses both process and Product stewardship. In the context of ASI, process stewardship refers to minimising environmental impacts and health and safety risks in processes to explore, extract and refine Aluminium. Product stewardship seeks to minimise environmental, health and safety risks and enable recovery, reuse or recycling (as appropriate) of the Aluminium utilised in Product systems. Ultimately, these approaches are defined and implemented through the actions of various players in the Aluminium value chain of specific minerals and metals (adapted from ICMM, 2006).

ASI’s approach to material stewardship encompasses:
- Understanding the life cycle impacts of Aluminium from mining to use and through to end-of-life
- Enhancing sustainability and environmental life cycle performance in Product design
- Minimising generation of Aluminium Process Scrap, and where generated, maximising recycling and/or re-use
- Optimising collection and recycling of products containing Aluminium at their End of Life and engaging with relevant Stakeholders to increase recycling rates.

**Key Concepts**

*Aluminium Process Scrap*—Material containing Aluminium that is diverted from the Waste stream from a manufacturing process or similar (adapted from ISO14021:2016).
Note that the material may not necessarily be regulatory Waste in any location that it is produced. Note that Aluminium Process Scrap can be considered Pre-Consumer Scrap under the ASI Chain of Custody Standard if the material has not been intentionally produced, is unfit for end-use and/or is not capable of being re-used in the same process that generated it.

Circular Economy (CE) – A Circular Economy is one that is restorative and regenerative by design and aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles. This new economic model seeks to ultimately decouple global economic development from finite resource consumption. A Circular Economy addresses mounting resource-related challenges for Business and economies, and could generate growth, create jobs, and reduce environmental impacts, including carbon emissions. A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. As the call for a new economic model based on systems thinking grows louder, an unprecedented favourable alignment of technological and social factors today can enable the transition to a circular economy. (Ellen Macarthur Foundation, 2015). Key applications for Circular Economy are that Waste generation and material inputs are minimized through eco-design, recycling and re-use of Products, thus transitioning from a linear (take-make-consume-dispose) approach to a Circular Economy that respects planetary boundaries. Circular Economy principles are increasingly embedded into broader national or international Policy settings. With high End of Life recycling rates in many countries and Product segments, Aluminium can be a key contributor to a Circular Economy.

End of Life – The point in time where a product has ended its intended use for which it was designed and manufactured for. This can include from the supply chain.

Environmental Product Declaration (EPD) – An EPD is an independently verified and registered document that communicates transparent information about the life cycle environmental impact of products including raw material supply, transport, manufacturing, and associated processes. As a voluntary declaration of the life cycle environmental impact, having an EPD for a product does not imply that the declared product is environmentally superior to alternatives. An EPD shall at least cover the product stage, which is ‘cradle-to-gate’ (as described in EN 15804 Modules A1 to A3). An EPD covering all life-cycle stages including the product stage, installation into the building, use and maintenance, replacements, demolition, Waste processing for re-use, recovery, recycling and disposal, and disposal is said to be ‘cradle-to-grave’ (as described in EN 15804 Modules A to C). Consideration of environmental aspects resulting from reuse, recovery and recycling at End of Life, is very important in relation to the Circular Economy and should be part of a ‘cradle-to-grave’ EPD (as described in the optional Module D in EN 15804). Further, any comparison of construction products on the basis of their EPD information shall be based on the product’s use in and its impacts on the building, and shall consider the complete life cycle, which is organised into the separate modules A to D. (Adapted from ISO 14025 and EN 15804).

Life Cycle Assessment (LCA) – LCA is a systematic set of Procedures for compiling and examining the inputs and outputs of materials and energy and the associated environmental impacts directly attributable to the functioning of a Product or service system throughout its life cycle (ISO 14040:2006). An LCA is an analysis of the impact that an object, product or raw material can have on the environment and ecosystems.

Life Cycle inventory (LCI) – LCI is an inventory of data that quantifies the energy and raw material inputs and environmental releases to air, land and water associated with each stage of production (ISO 14040:2006).
Product Carbon Footprint (PCF) – A PCF is a means for measuring, managing and communicating Greenhouse Gas emissions related to goods and services. A carbon footprint is based on a LCA but focuses only on global warming potential.

Product Environmental Footprint (PEF) – Unlike a carbon or water footprint, PEF is a multi-indicator measure of a product’s impacts using an LCA approach. A PEF study is a measure of a set of quantifiable environmental impacts over the life cycle of a Product, including emissions to water, air and soil, use and depletion of resources and impacts from land use. PEFs are a European Commission initiative and the pilot study process for a wide range of products is underway and scheduled to complete at the end of 2017.

Sustainable Materials Management (SMM) – SMM is a systemic approach to using and reusing materials more productively over their entire life cycle. SMM seeks to use materials in the most productive way with an emphasis on using less; reduce toxic chemicals and environmental impacts throughout the material life cycle; assure there are sufficient resources to meet today’s needs and those of the future.

Implementation

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

4.1 Environmental Life Cycle Assessment
The Entity shall:

a. Evaluate life cycle impacts of its major Product lines for which Aluminium is considered or used.

b. Upon customer request, the Entity shall provide adequate cradle-to-gate Life Cycle Assessment (LCA) information on its Aluminium (containing) product(s).

c. Ensure any public communication on LCA includes public access to the LCA information and its underlying assumptions including system boundaries.

Application:

- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 4.1:

- The focus of this Criterion is on environmental life cycle impacts, though other types of life cycle impacts may also be considered within an assessment as desired.
- If conducting a full Life Cycle Assessment, these should be conducted according to consideration should be made to the principles set out in ISO 14040:2006 and ISO 14044:2006 (see references below) to advance consistency and comparability of assessments. Ensure appropriate expertise is involved in the assessment.
- Definition of the goal and scope of a Life Cycle Assessment (LCA) and analysis of the Life Cycle Inventory (LCI) can include the following:
  - Identification and quantification of the relevant raw materials and energy used (the ‘inputs’)
  - Identification of the processes involved in the production of saleable product (manufacturing, handling, operation of equipment, maintenance, Waste management etc.)
  - Identification and quantification of relevant outputs generated from the production processes, including atmospheric emissions (including GHG emissions), Waste water, solid and liquid Wastes
  - Identification and quantification of all products produced (including any by-products)
- Both ‘Attributional Life Cycle Assessments’ (Cut-Off) and ‘Consequential Life Cycle Assessments’ (Avoided Burden) are valid methodologies according to ISO 14040 and 14044.
- In Life Cycle Assessments (LCA) that involve recycling of materials, a method for allocation of processes and avoided emissions needs to be chosen to fit the goal and scope definition of the assessment. There are two
main approaches to recycling (CE Delft, 2013):

- End of Life recycling approach (also known as avoided burden). Environmental benefits are only granted for the fraction of material that is recovered and recycled after the use phase.
- Recycled content approach (also known as cut off). Environmental benefits are only granted for the actual fraction of secondary material in a product.

The choice of allocation often has a major influence on the results of the LCA for a particular product. Therefore, some sectors and/or Product groups are defining preferred Standards for dealing with recycling in LCA. Amongst others, the global metals industry has made a ‘Declaration by the Metals Industry on Recycling Principles’, published in the International Journal on LCA (Atherton, 2006). This declaration states the following:

“For purposes of environmental modelling, decision-making, and Policy discussions involving recycling of metals, the metals industry strongly supports the end-of-life recycling approach over the recycled content approach.”

Independent of the allocation approach used for recycling, the impact or credit from recycling should be provided separately.

For 4.1(a):

- When evaluating life cycle impacts for your products, make use of information and models produced by industry associations and published resources, as relevant.
  - Contact your association/s to find out what LCA work has been completed or is underway that has relevance to your Products. These studies will contain data you can use to evaluate life cycle impacts and identify ‘hotspots’ in the supply chain.
    - For example, the European Aluminium Foil Association publishes a range of studies for flexible packaging of food. Also see other examples under 4.1(b).
  - When considering which Product lines are ‘major’, the following may serve as a guide:
    - Those Products or Product lines which in aggregate consume more than two-thirds of the Aluminium used by the Entity
    - The top 10 Products or Product lines, in order of largest proportion of Aluminium used by the Entity
    - Other approaches to considering ‘major’ Product lines have to be explained during an ASI Audit.
  - In evaluating life cycle impacts, consider the impact of the various production stages and of End of Life recycling. These analyses can also be used to develop plans for impact reductions over time.
  - Note that for multi-material Products, the Aluminium component of the Product does not need to be singled out in the evaluation (for example, for B2C calculations). Conversely, for B2B applications, an LCA that covers only the Aluminium components would be sufficient.
  - Note that for smaller Businesses or for some applications, a simplified process with basic assumptions may suffice.

For 4.1(b):

- Consider finding or developing a cradle-to-gate LCA information document that can be easily made available to customers upon request.
  - Customer requests may be received by email, phone call or request via the Entity’s website. LCA information as requested by the customer may be provided via a stand-alone response, or through regular updates provided in conjunction with other Product documentation associated with a sale or transaction. Subject to agreement between the Entity and the customer, this information could be provided as part of the optional Sustainability Reporting requirements as prescribed in Criterion 9.3 of the Chain of Custody Standard.
‘Cradle-to-gate’ LCA is an assessment of a partial Product life cycle from resource extraction (cradle) to the factory gate (i.e., before it is transported to the next step in the value chain). The use phase and disposal/recycling phase of the Product are omitted in this case. In other words, cradle-to-gate information covers your own production plus upstream impacts.

Cradle-to-gate analyses will vary depending on your position in the value chain. For example, Bauxite Mining would cover the extraction process and associated impacts to the mine gate, whereas a downstream Entity would likely draw on available information regarding upstream impacts and then include impacts from their own production. Downstream activities including Semi-Fabrication may adopt cradle-to-grave accounting for the End of Life of the Product.

A number of associations including the International Aluminium Institute (IAI), The Aluminium Association (US) and European Aluminium publish LCA information for production and use sectors. This could be cradle-to-gate, or simply ‘gate-to-gate’ if focused on a specific supply chain step.

For example, the European Aluminium (EA) Environmental Profile Report provides industry average data for the various steps of Aluminium production and processes. It does not consider the full life cycle since this information is not available across all markets and Products but can be collected case by case via LCA.

Relevant life cycle information can also be contained in Environmental Product Declarations (EPDs). EN 15804 and EN 15978 require that Auditors review and validate data associated with Environmental product Declarations (EPD’s). For example, EPDs developed by The Aluminium Association (US) in accordance with ISO14025 and independently validated include those for hot-rolled Aluminium, cold-rolled Aluminium, Extruded Aluminium, Primary Ingot and Secondary Ingot. EPDs developed by European Aluminium include a set for building products.

There is also work underway by the European Committee for Standardisation CEN to develop approaches for the sustainability assessment of construction Products and buildings based on EN 15804 and EN 15978 Standards.

Where ‘cradle-to-grave’ information is available, this would meet and exceed this requirement and is encouraged by ASI Members wherever possible to enable more informed decision-making regarding Aluminium. A cradle-to-grave analysis could also include the environmental benefits resulting from the use stage and collection and recycling at End of Life (see Criterion 4.4), noting any assumptions. However, given the difficulty for upstream producers to track where metal goes, a cradle-to-gate analysis is often more feasible.

Note that this Criterion is intended to apply for requests made by direct/supply chain/B2B customers.

For 4.1(c),

When publicly communicating about LCA information or assessment results, there must be public access to the LCA information and its underlying assumptions. This is to support transparency, accuracy and consistency.

An LCA summary should include the following types of information:

- Scope of the study: description of scope, system boundaries and main assumptions
- Results: disclosure of results, and an explanation regarding which impact categories (for example global warming potential, acidification potential, water consumption, primary energy demand) are covered or are not covered and why. LCA’s for Aluminium would normally include at least global warming potential
- Sensitivity analysis: study and discussion of main parameters influencing the results
- Conclusions.

Ideally, such public communication on LCA information or assessment results should be based on third-party verified LCAs conducted in accordance with ISO 14040 and 14044, and in line with ISO 14021 or
14025 (see references below). An Entity should be cognisant of the end use for such LCA data. For the purposes of public communication of LCA information, any commercially sensitive information is to be excluded, and other non-commercial data should be summarised so as only to demonstrate the broad inputs and outputs.

Public communication of LCA data (4.1(c)) is considered different to the provision of LCA data to the Entity’s customers (4.1(b)) – where in the case of 4.1(b) these data are only disclosed to the customer and are likely to contain a greater level of technical detail and be provided in response to the specific supply chain activities present and product(s) manufactured by the customer.

- Note that confidentiality of site-specific or commercial-in-confidence data can be maintained.
- Background data used to prepare LCA information is often sourced from Third Party Life Cycle Inventory databases (such as GaBi, ecoinvent, etc). This can include data which makes a significant contribution to impact categories but is proprietary and often difficult to interrogate.
- Where appropriate, the Entity should contribute to the development of average LCI databases in the region/s where they operate. This could be via direct provision of data or other resources, or via industry associations or other collaborative groups or initiatives. Entities are encouraged to actively provide data to industry level LCA studies organised by industry groups or trade associations, to improve the quality and representativeness of industry wide LCA information.

- Relevant ISO Standards include:
  - ISO 14021: 1999 Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling)
  - ISO 14024: 1999 Environmental labels and declarations — Type I environmental labelling — Principles and procedures

4.2 Product Design

The Entity, where engaged in Semi-Fabrication, Material Conversion and/or manufacture or sale of consumer/commercial goods containing Aluminium, shall integrate clear sustainability objectives in the design and development process for Products or components to enhance sustainability, including the environmental life cycle impacts of the end product of the end Product to enhance Circular Economy outcomes.

**Application:**

- This Criterion applies to semi-fabrication, Material Conversion and manufacture of sale or consumer/commercial goods containing Aluminium Facilities.
- This Criterion is designed to apply to Entities that are involved in the design and development process of a Product or component. This includes companies that are involved in setting design objectives and specifications, and specifically excludes companies that are only retailers of finished products with no involvement in the design process. It is also less relevant for standardised semi-fabricated Products which do not necessarily have a design and development process but are inputs for further specialised manufacturing (e.g. Aluminium slugs).

**Points to Consider in Implementing Criterion 4.2:**

- The focus of this Criterion is on the use of Aluminium within the component or Product.
- Systems documentation related to Product design should include objectives covering resource efficiency, use phase optimization, recyclability, and/or scrap tolerance, as appropriate. Consider these should taking into account the life cycle impacts of the end product, as well as:
o Developing objectives to reduce the environmental impacts of products at the beginning of the development process
o Specify key design parameters that can affect the Product environmental footprint such as alloy/s, weight, percentage of expected Aluminium Process Scrap, and recyclability
o Describe – and where reasonable quantify – improvements compared to previous versions of the product
o Monitor progress towards objectives. If necessary, develop corrective action plans.

- Examples of sustainability objectives and life cycle performance of Products can include:
  o Design for reuse or recycling
  o Design for dismantling or disassembly
  o Design for extended Product life.

- Documents in which sustainability objectives might be integrated can include:
  o Providing primary data or LCAs, particularly cradle-to-grave, for final Products.
  o Documentation of design and development process (description of development steps, milestones and responsibilities)
  o Description and implementation of a ‘design for recycling’ process (such as recyclability of closed-loop and End of Life scrap), or similar
  o Collection and documentation of primary data (such as energy or water consumption, material input, scrap, direct emissions etc.) for the production process.

- For new Products or Product lines, and for upgrading existing Products or Product lines, consider applying materials or processing technology that increase scrap tolerance, while maintaining material performance and quality.

### 4.3 Aluminium Process Scrap

The Entity, where engaged in Aluminium Smelting, Aluminium Re-melting/Refining, operating a Casthouse, Semi-Fabrication, Material Conversion, and/or other manufacturing or sale of products containing Aluminium shall:

a. **Minimise the generation of Aluminium Process Scrap within its own operations and, where generated, target 100% of scrap for collection, recycling and/or re-use.**

b. **Seek to separate Aluminium alloys and grades for recycling.**

This Criterion does not apply to Bauxite Mining and Alumina Refining.

**Application:**

- This Criterion applies to Aluminium Smelting, Aluminium Re-melting/Refining, Casting, Semi-Fabrication, Material Conversion and manufacture of sale or consumer/commercial goods containing Aluminium Facilities.

**Points to Consider in Implementing Criterion 4.3:**

- The overall approach to Criterion 4.3 could include a scrap management and recycling plan that is regularly updated to increase associated benefits, and can be either a stand-alone plan or integrated into an existing Waste or materials management plan.

For 4.3(a)

- For each Aluminium-based Product line, consider all process steps and production areas where Aluminium Process Scrap is generated and identify specific measures that could minimize its generation.
  o Types of scrap to consider include run-around scrap, fabrication scrap, scalplings, edge and end trim, and discrepant product.
  o Continuous scrap analysis and Business excellence programs can help identify areas for improvement.
• Also for 4.3(a), consider all Aluminium Process Scrap sources and identify specific measures that could increase or maintain collection and recycling or re-use rates to target as much scrap as possible. Such measures could include:
  o Increase employees’ awareness and knowledge around Aluminium scrap and the associated economic value
  o In-house communication and training
  o Quantification of scrap amounts and visualization.
• Note that there is a variety of different approaches used for scrap segregation, which include:
  o Mixed metals including Aluminium
  o Aluminium segregated from other metals, but all alloys mixed
  o Aluminium segregated by major alloy family (e.g. 5xxx, 6xxx)
  o Aluminium segregated by refined alloy families (e.g. high Mg 5xxx, low Mg 5xxx, high Cu 6xxx, low Cu 6xxx).
Segregation and closed loop recycling systems support better material integrity and recyclability, but may require significant investment in segregation systems. The costs of segregating scrap may outweigh the value received in some situations.

For 4.3(b),
• Where this approach is not already integrated into production processes, evaluate the feasibility to commence or increase the separation of Aluminium alloys and grades.
  o Where environmentally and economically proven, seek to prioritise refined alloy separation that allows future alloy reuse within the same or similar quality product applications. Otherwise seek to group Aluminium Process Scrap by alloy families wherever feasible.
  o Where appropriate, integrate scrap separation as part of scrap and recycling management.

4.4 Collection and Recycling of Products at End of Life
The Entity, where engaged in Material Conversion and/or other manufacturing or sale of products containing Aluminium, shall:

a. Implement a recycling strategy, including specific timelines, activities and targets.
b. Regularly evaluate the effectiveness of the recycling strategy, and where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

Where engaged in Aluminium Re-melting/Refining, operating a Casthouse, Semi-Fabrication, Material Conversion, and/or other manufacturing or sale of products containing Aluminium:

b.c. Engage with local, regional or national collection and recycling systems to support accurate measurement and efforts to increase recycling rates in their respective markets for their Products containing Aluminium.

Application:
• This Criterion excludes Products containing Aluminium where comparative Life Cycle Assessment demonstrates that material recycling is not the best option for the environment.
• 4.4(a) and (b) apply to Material Conversion and manufacture of sale or consumer/commercial goods containing Aluminium Facilities.
• 4.4(c) applies to Aluminium Re-melting/Refining, Casting, Semi-Fabrication, Material Conversion and manufacture of sale or consumer/commercial goods containing Aluminium Facilities.

Points to Consider in Implementing Criterion 4.4:
• This can be determined through comparative LCAs which may draw on information the Entity has already determined under Criterion 4.1a or obtained from suppliers or the public domain.
• Comparative LCAs need to be based on a full-Life-Cycle Assessment and robustly prepared considering all major factors relating to inputs and impacts. The LCAs must have a consistent basis for comparison, for example, relative CO₂ emissions using similar methodologies. Other factors may include the availability and recoverability of the Aluminium in the Waste products, and the resources and impacts of the recovery process.

• To be excluded from the applicability of Criterion 4.4, demonstrate to the Auditor a review of the results of the comparative LCA, which should indicate a clear result for other disposal or treatment option/s as having more favourable environmental outcomes.

• It is expected that the overall company strategy and engagement efforts should be proportionate to the company market position (according to market size and share and the role within the supply chain).

• End of life may include Products such as:
  - A building window frame which was still serving its purpose, but which was removed due to demolition of the building
  - Beverage cans which were mis-coated and thus rejected after filling and returned for recycling
  - A car part which was sold with a defect and never used and is returned for recycling.

For 4.4(a):

• Develop, adopt, and implement a long-term collection and recycling strategy that addresses Aluminium-containing products and includes clear targets, timelines, and supporting activities.
  - Consider aligning targets at a national or sector level. Additionally consider aligning the targets should also be aligned with existing Entity targets relating to production, collection rates, Waste management and energy use.
  - When developing a recycling strategy, take into account the Business context, local market conditions, the regulatory environment, existing end markets, available collection and recycling infrastructure, and consumer education and outreach. Based on these factors, an individual recycling strategy will vary from company to company. For example, a small semi-fabricator would have a different type and scale of strategy to that of a large consumer-facing brand.
  - A recycling strategy should consider the following:
    - Communications to customers
    - Product labelling requirements
    - An understanding of the Entity’s products influence on the uses of the products in the Aluminium supply chain
    - Research and Development opportunities (e.g. increasing recycled content in products, consideration of different alloys etc.)
    - Collaborative opportunities with peers, customers and industry associations, as part of a broader recycling community of practice.
  - For larger companies, consider informing the development of your collection and recycling strategy through stakeholder consultation involving relevant stakeholder groups e.g. customers, retail sector, consumers, and local, regional and national recycling systems. This can include input into the definition of strategic priorities as well as the definition of targets and associated deadlines.
  - Consider how to deliver the most economic, environmental and social benefits. For example, an Entity could focus its efforts in an area where the recycling rates are particularly low, or it could focus its efforts on areas where recycling rates are already good but the impact of further effort is reasonably expected to be greater.
  - Suppliers of commercial and consumer goods should prioritize their role in communicating directly with product users about Aluminium collection and recycling, its economic, environmental and social benefits. Larger brands can play a significant role in raising awareness with consumers, whether acting directly with their market and/or in collaborative efforts such as through 4.4(c).
A recycling strategy could be prepared as a stand-alone document, or incorporated as part of an existing Waste or materials management plan. The integration of a recycling strategy may also extend into more strategic Business planning documents, in the event that recycling is a significant aspect of the Entity’s scope of operations. The recycling strategy (or components of) may be referenced in the Entity’s operational plans, capital expenditure plans, or Entity’s Five-Year Strategic Plan (or equivalent).

For 4.4(b):
- Conduct regular reviews of the recycling strategy. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - The degree to which the recycling strategy is aligned with existing company practices
  - Changes within the company or external to the company which would impact the recycling strategy (including any mergers and/or acquisitions)
  - Emerging leading practices
  - Changes in stakeholder expectations
  - Alignment with legal requirements and consideration of voluntary initiatives on recycling.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified failure to meet the objectives of the recycling strategy, may trigger an earlier or more frequent review.

Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the Recycling Strategy has been found to:
  - Not be fully effective in meeting its objectives
  - Not meeting stakeholder expectations
  - Not aligned with leading best practices
  - Not meeting legislative requirements.

For 4.4(c):
- Engage with relevant local, regional or national collection and recycling systems in your respective markets to support accurate measurement and increased recycling rates for End of Life products containing Aluminium. This could be direct engagement, through associations or other means.
  - Encourage the use of widely accepted calculation methods to determine accurate data on recycling rates. Where relevant, participate in efforts to harmonise and improve the accuracy of calculation methods and/or data collection.
  - Promote quantified recycling targets for dedicated products at regional level.
  - Support programs aimed at achieving increased collection and recycling rates in the countries or regions where the Entity operates. For example, organisations like IGORA (Switzerland), and Keep America Beautiful and The Recycling Partnership (USA) work at a country level to enhance collaboration and action. Programs such as Every Can Counts in Europe and the UK are product-specific, and in this case aim to enable and encourage more people to recycle the drinks cans they use outside the home. Where these kinds of programs do not exist, where recycling is unregulated, or where legislation and enforcement are weak, consider how to initiate or support progress and actions in this area.
  - Consider how best to engage and collaborate with value chain partners to increase collection and recycling rates in major markets. Partnerships can focus on thoughtful consumer outreach, access to collection infrastructure, processing at sorting facilities, technical assistance for municipalities or supportive Policies.
Engage and educate consumers and other Stakeholders about Aluminium collection and recycling, in particular the associated economic, environmental and social benefits.

**Points to consider in Implementing Criterion 4.4:**

- It is expected that during the Initial Certification Audit, an Entity may have just implemented a Recycling Strategy and a review may not yet have been conducted. In these cases, it is expected that Criterion 4.4.b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance Audits would verify the review was conducted as planned.
B. Environment

5. Greenhouse Gas Emissions

Due to significant proposed changes to Principle 5 in V3 of the Standard, Guidance is still under development.

Principle
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.

Related Criteria
2.3 – Environmental and Social Management Systems
4.1 – Environmental Life Cycle Assessment

Applicability

<table>
<thead>
<tr>
<th>Supply chain activity</th>
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<th>5.2</th>
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<tr>
<td>Bauxite Mining</td>
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<td>Alumina Refining</td>
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<td>Aluminium Re-melting/Refining</td>
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<td>Material Conversion (Production and Transformation)</td>
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<td>Material Conversion (Industrial Users)</td>
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<td>Other manufacturing or sale of products containing Aluminium</td>
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Code:
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium, see the ASI Assurance Manual.

Background
The UN Framework Convention on Climate Change (UNFCCC) sets an overall framework for intergovernmental efforts to tackle the challenge posed by climate change. It recognizes that the climate system is a shared resource whose stability can be affected by industrial and other emissions of carbon dioxide and other Greenhouse Gases. The Convention entered into force on 21 March 1994. The UNFCCC objective is to “stabilize Greenhouse Gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”

The Intergovernmental Panel on Climate Change (IPCC) is the international body for assessing the science related to climate change. The IPCC provides policymakers with regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation. IPCC assessments
provide a scientific basis for governments at all levels to develop climate related policies, and they underlie negotiations at the UN Climate Conference.

The Aluminium sector is currently (2018) responsible for over 1.1 billion tonnes of GreenHouse Gas Emissions (as CO$_2$e) per annum, which is approximately two percent of all global anthropogenic emissions (and four percent of carbon dioxide). More than 90% of these emissions are from primary production processes, which currently meet around 70% of annual metal demand.

The Aluminium industry has been identified as ‘hard to abate’, a category which also includes the cement, steel, plastics, aviation and shipping sectors. This means that the cost of abatement is significantly higher than for other sectors, even if solutions for decarbonisation already exist. Aluminium differs from many of these other hard to abate industries in that it is already heavily electrified.

Demand for Aluminium products is expected to grow between 2018 and 2050. This will be met through a combination of Recycled and Primary Aluminium; many Aluminium products already have high recycling rates, but even with further improvements in collection the long lifetimes of durable Aluminium products, a growing population and a broader range of applications mean there will not be enough Post Consumer Scrap to meet this demand alone.  Primary Aluminium will still need to be produced until at least the second half of the century.

ASI’s Standards Committee has committed to alignment of its Standards and programmes with a Below 1.5°C Warming Scenario, the scientific consensus ceiling for global average temperature change to limit the worst effects of climate change.

Aligned with the International Energy Agency’s Net-Zero Emissions by 2050 Scenario, the IAI has developed a 1.5°C pathway for the Aluminium sector which indicates that by 2050 total Aluminium sector emissions would need to be reduced to around 50 million tonnes (Mt) CO$_2$e from a 2018 baseline of 1.100 Mt CO$_2$e and a projected business as usual 2050 level of 1.600 Mt CO$_2$e.

Of this total, emissions from electricity consumed in all processes (but, in particular, Aluminium Smelting) would reach sub-10 Mt CO$_2$e by 2050. Non-electricity Primary Aluminium emissions (cradle-to-gate) would need to be reduced from 350 Mt CO$_2$e today to around 25 Mt CO$_2$e, whilst emissions from recycling and fabrication processes would need to be reduced to under 20 Mt CO$_2$e.

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A wide range of industrial sectors have long recognised the need to be pro-active in managing risks from climate change and reducing Greenhouse Gas emissions and energy costs. ASI requires that all Members seeking certification:

- Account for and disclose material GHG emissions;
- Set time-bound targets to reduce GHG emissions.

Aluminium smelting is a very energy intensive process, generating approximately 80% of all GHG emissions in the Aluminium industry worldwide. The level of GHG emissions produced in smelting is thus strongly linked to the type of electricity generation used, which can include coal, gas, hydroelectric and nuclear. Another source of significant direct emissions produced in the Hall-Heroult process are perfluorocarbons (PFCs).

The ASI Performance Standard requires that all aluminium smelters limit direct GHG emissions, and are producing aluminium at a level of direct plus indirect emissions below 8 tonnes CO$_2$-eq per metric tonne aluminium either:

- By 2030 or earlier, for smelters that started production up to and including 2020.
- By the time of certification, for smelters starting production after 2020.

The 8 t CO$_2$-eq per metric tonne level was established after extensive discussion by the IUCN Standards Setting Group during the development of Version 1 of the Performance Standard. The discussion drew on data and expertise available at the time including the average GHG emissions intensity for the aluminium industry. To put this in perspective, the current global average for aluminium ingot production is estimated to be 12 tonnes CO$_2$-eq per metric tonne of aluminium. The 8 t CO$_2$-eq per metric tonne intensity was ultimately a negotiated and agreed level aimed at a shared objective to drive reduction in greenhouse gas emissions over time from smelting operations. The different time bound targets for existing and planned smelters were designed to signal a transition period to achieve the target.

ASI's Performance Standard requirements thus represent a shift towards a lowered emissions profile for the sector that is both significant and long-term. Looking ahead, ASI has committed to explore what a 2°C and 1.5°C compliant GHG emissions trajectory would look like for the aluminium sector, and incorporating these findings into a future revision of the Performance Standard.

**Key Concepts**

- **CO$_2$ equivalent (CO$_2$-eq)** – GHG emissions can be expressed either in physical units (such as tonnes) or in terms of CO$_2$ equivalent (tonnes CO$_2$-eq) equivalent. The conversion factor from physical units to CO$_2$-eq is the global warming potential (from the latest published IPCC report) of the corresponding GHG. (Adapted from UNFCCC)

- **Direct GHG Emissions** – Emissions from sources that are owned or Controlled by the Entity. (Adapted from The Greenhouse Gas Protocol)

- **Indirect GHG Emissions** – Emissions that are a consequence of the activities of the Entity, but occur at sources owned or controlled by another entity. (Adapted from The Greenhouse Gas Protocol)

- **Greenhouse Gases (GHG)** – Gaseous compounds in the atmosphere that are capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere. By increasing the heat in the atmosphere, Greenhouse Gases are responsible for the greenhouse effect, which ultimately leads to global warming. Six GHG covered by the UNFCCC are: carbon dioxide (CO$_2$), methane (CH$_4$), nitrous oxide (N$_2$O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF$_6$). (Adapted from UNFCCC)
Mine to Metal Emissions - Scope 1, 2 and 3 Greenhouse Gas emissions associated with a Facility.

**Scope 1** - All Direct GHG emissions. (The Greenhouse Gas Protocol)

**Scope 2** - Indirect GHG emissions from consumption of purchased electricity, heat or steam. (The Greenhouse Gas Protocol)

**Scope 3** - Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the Entity, electricity-related activities (e.g., transmission and distribution losses) not covered in Scope 2, outsourced activities, Waste disposal, etc. (The Greenhouse Gas Protocol)

**Implementation**

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

5.1 Disclosure of GHG Emissions and Energy Use.

The Entity shall:

- Account for and publicly disclose, where material, GHG emissions and energy use and GHG emissions by source on an annual basis.

  - Ensure that all publicly disclosed GHG emissions data are independently verified, prior to publication.

**Application:**

- This Criterion applies to all Facilities.

**Points to consider:**

- For 5.1(a) General:
  - Clear, readable and auditable emissions data are critical, as they form the basis for the development of the Entity’s GHG Emissions Reduction Plan and reduction targets.
  - The Entity should endeavour to present emissions data in a clearly defined and itemised manner, based on timeframe, scope, activity, location and/or Facility and not reported in a consolidated manner.
  - Where Entity emissions are evolved from processes providing non-Aluminium Products and services to Businesses outside the Certification Scope (e.g., exported power, heat and steam or sold baked anodes), it is recommended to report these separately from Aluminium production process sources.
  - Where processes are co-located but outside the Certification Scope of the Entity, their emissions are recommended to be reported separately.
  - It is recommended that energy use data reporting follows the same recommendations as emissions above.
  - Emissions accounting for the Entity will differ from the carbon footprint(s) of the Product(s) it produces. For the purposes of this Criterion, the GHG Protocol Corporate Accounting and Reporting Standard and associated guidance and calculation tools is the recommended basis of emissions calculation and disclosure. The reporting of Product carbon footprints is incorporated in the ASI Chain of Custody (CoC) Standard (Criterion 9.3).

- For 5.1(b) Independent verification:
For the purposes of this Criterion, independent verification is only required for data which is publicly disclosed. Nevertheless, validation and verification activities typically require an analysis and review of comprehensive emissions inventories and energy models underlying published metrics. Broader dataset accessibility for Auditors is therefore recommended.

There is the potential for multiple datasets (verified and unverified) to be disclosed by Entities to meet the needs and requirements of a range of audiences, Stakeholders and purposes. Such datasets may have different scopes, included gases, calculation methodologies and uncertainties. Such diversity is not abnormal and Auditors should be aware of this fact, but focus on the independent verification of all GHG emissions data publicly disclosed.

In situations where unverified data is reported to Third Parties (e.g. regulatory authorities) and these data is subsequently disclosed by the Third Party, the Entity’s obligation under this Criterion to disclose publicly independently verified emissions data is not negated. However, the Entity is not obliged to seek independent verification of the Third Party reported data.

Pre-publication, independent verification of energy and GHG emissions data is to be conducted by groups or persons (the ‘verifier’), with demonstrable competence in Greenhouse Gas emissions accounting and communication, following professional standards and/or applying systematic, documented, and evidence-based processes of assurance.

Independent verification (assurance) is often undertaken for Public Sustainability Reports, and if the scope of assurance provided by the verifier includes GHG Emissions data, then this would satisfy the requirements of this Criterion.

The verifier should be independent of the Member, able to publish an objective and impartial assessment and able to apply quality control procedures during the verification exercise.

The verifier should be able to assess whether the data presented provides an accurate and reasonable presentation of GHG emissions across the Entity’s activities, over the period under study.

The verifier should be able to provide a written statement that can be made publicly available summarising the verification process undertaken and confirming that the data presented are a fair and accurate representation of GHG emissions across the Entity’s activities, over the period under study.

There is no specific guidance available on what constitutes an appropriate level of effort required for the independent verification, as this should vary depending on the activities under study, the quality and quantity of emissions inventory data, the presentation and management of such data, and the level of cooperation provided by the Entity to the verifier. As a general guide, a single medium-sized Entity may only require a half-day level of effort by the verifier, whilst a large organisation with multiple sites operating across several geographical regions may require several days of effort. In all cases, care should be taken to manage expectations of the Entity and verifier on the appropriate level of effort required, with clear communication between Entity and verifier prior to and during the verification process.

Presentation and disclosure of data:
- The use of internationally accepted units of measurement such as kilograms (kg), gigajoules (GJ) or kilowatt-hours (kWh) is recommended.
- It is recommended to provide, alongside published data, a reference to the source of emission factors and global warming potential (GWP) used in the calculation and to the standards, methods, assumptions, and/or calculation tools used.
- It is good practice to maintain consistency in GWP choice across gases (e.g. all drawn from the same IPCC Assessment Report) and through time. In cases where values from the latest IPCC Assessment Report are not utilised, it is recommended to articulate the rationale for GWP choice.
- The Entity should take care to ensure consistency, or explain inconsistency, between GHG emissions data publicly disclosed and other disclosure mechanisms in which the Entity participates (such as the
Carbon Disclosure Project (CDP), Dow Jones Sustainability Index (DJSI), or local/national regulatory reporting framework).

- It is recommended that data be presented in tabular, textual and diagrammatic formats; tabular in a format that can be searched and evaluated, textual and diagrammatic giving context to the data across space (comparability/benchmarking with similar Entity types) and through time (Entity performance).

- It is recommended that emissions data disclosure include absolute (t CO2e) and intensity values (t CO2e/t Product).

- It is recommended that energy data disclosure include absolute (e.g. GJ; kWh) and intensity values (e.g. GJ/t product; kWh/t Product).

- Use of company-derived reporting units such as ‘kt CO2e/million m² foil products’ or ‘t CO2e/t Cu equivalents’ for example, is not recommended.

**Scope – Energy**

- It is good practice to include with energy use data reference to and quantification of the specific energy carriers (e.g. electricity, coal, steam), as well as associated values of energy transformed, in appropriate units (e.g. kWh, kg, GJ). Further disclosure of electricity power mix may also be included, where relevant.

- A significant proportion of Entities (in particular in Primary Production) control energy transformation processes as well as energy use (e.g. combustion of gas to produce electricity or combined heat and power, subsequently used by Aluminium production processes and/or exported). Energy transformed in such processes (e.g. m³ gas combusted) can be reported in addition to Aluminium production process energy usage (e.g. kWh), or, where exported or outside the Certification Scope of the Entity, excluded from the report.

**Scope – Greenhouse Gases**

- It is important to note that corporate accounting boundaries may at times not align with the accounting boundaries of the Entity and there may be an inherent level of overlap or disconnect between these reporting structures – in such cases transparency on reasons for the mis-alignment is encouraged.

- It is poor practice to exclude any GHG Protocol Scope 1 or Scope 2 (or equivalent) GHG Emissions from publicly disclosed data.

- When determining Scope 2 GHG Emissions from electricity use, preference should be given to data provided by the power supplier/generator (where known) over the use of generalised or averaged GHG emission factors for the local, regional or national electricity grid. Emissions related to transmission and distribution losses are reported under Scope 3 GHG Emissions (category 3 - fuel and energy-related activities).

- It is good practice to include Scope 3 GHG Emissions where these are considered material.

- For some Entities, Scope 3 GHG Emissions make up the majority of their GHG emissions inventory. For example, the emissions inventory of downstream fabricators of Primary Aluminium is likely to have as a significant share the production of the metal itself (accountable as Scope 3 GHG Emission, category 1 emissions - purchased goods and services). For suppliers of Alumina, the downstream emissions associated with Aluminium Smelting would likely be significant (accountable as Scope 3 GHG Emissions, category 10 – processing of sold products).

- Entities are recommended to provide the rationale and method applied for determining the materiality of Scope 3 GHG Emission sources by category and to identify when and where estimates or derivations are used. The materiality of a source can only be established after it has been assessed. This does not necessarily require a rigorous quantification of all sources, but can be based on a general estimate using available data, including sector level data.

- Globally and/or regionally averaged emissions data for aluminium production unit processes are available from producer associations. However, where possible, the Entity is recommended to contact its [Tier 1] supplier(s) and customer(s) to source accurate emissions data. Default factors are
to be used as a last resort and in cases where unit process emissions variability across the sector and materiality within the Entity’s emissions inventory are low.

- As a general rule, Entities should consider as material any emission source greater than 5% of the total (Scopes 1, 2 and 3) GHG Emissions inventory for Scope 1 and 2 and 10% for Scope 3. It is important to acknowledge that in some jurisdictions, materiality thresholds may be specified under local regulatory reporting regimes.
- Regulatory or other systems’ materiality thresholds may also specify a minimum emission total before public disclosure of emissions data. Under Criterion 5.1, emissions are to be publicly disclosed regardless of their total; there is no minimum reporting threshold for the total emissions generated by the Entity.

### Table 2 – Scope 3 Categories (from GHG Protocol)*

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<tr>
<th>Upstream or Downstream</th>
<th>Scope 3 GHG Emissions Category</th>
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<td>Upstream</td>
<td>1. Purchased goods and services</td>
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<td>2. Capital goods</td>
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<td>3. Fuel- and energy-related activities</td>
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<td>(not included in scope 1 or scope 2)</td>
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<td></td>
<td>4. Upstream transportation and distribution</td>
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<td>5. Waste generated in operations</td>
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<td>6. Business travel</td>
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<td>7. Employee commuting</td>
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<td>8. Upstream leased assets</td>
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<tr>
<td>Downstream</td>
<td>9. Downstream transportation and distribution</td>
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<td>10. Processing of sold products</td>
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<td>11. Use of sold products</td>
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<td>12. End-of-life treatment of sold products</td>
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<td>13. Downstream leased assets</td>
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<td>14. Franchises</td>
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<td>15. Investments</td>
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- Reporting protocols and tools:
  - GHG Protocol tools for Aluminium specific process emissions calculations: [https://ghgprotocol.org/calculation-tools#aluminium](https://ghgprotocol.org/calculation-tools#aluminium)
  - GHG Protocol Scope 3 guidance: [https://ghgprotocol.org/scope-3-technical-calculation-guidance](https://ghgprotocol.org/scope-3-technical-calculation-guidance)
  - The IAI Greenhouse Gas Calculator (under development, as of November 2021) will enable the tracking of emissions by Entity and in turn can model cradle-to-gate emissions, including Scope 1, 2 and 3 GHG emission types using company and material flow trade data.
  - IAI primary aluminium data collection forms, which may be useful tools for Entities to define metrics and to disclose relationships between process energy use and emissions:

• Alumina Refining & Aluminium Smelting (including power use, casting and – where appropriate - power generation and anode/paste production): [link to statistical survey forms]

AI (2021) GHG Emissions Data for the Aluminium Sector (2005-2019), global Aluminium sector emissions by unit process and emissions source, which can be used to validate broadly Entity process data and to situate in the context of total global Aluminium industry emissions: [link to emissions data]

• Document your methodology for calculating and recording material GHG emissions and energy use by source. Note that the applicable calculation methodology may be set by regulatory requirements and should be used where applicable. Other methodologies include:
  - The GHG Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), is a global resource for how to measure, manage, and report greenhouse gas emissions.
  - Comparable sector-specific methodologies where available. For example, under the EU European Trading Scheme Directive, the EN19694 series of standards deals with monitoring and reporting of greenhouse gases in energy intensive industries: part 4 deals with the aluminium industry.

• Determining materiality of GHG emissions:
  - Scope 1 and Scope 2 emissions should always be included.
  - Scope 3 emissions may or may not be material, depending on the supply chain activity, as they occur from sources not owned or controlled by the organization.
  - The GHG Protocol notes that information can be considered to be material if, by its inclusion or exclusion, it can be seen to influence any decisions or actions taken by users of it.
  - There is no set materiality threshold for reporting emissions under the GHG Protocol. As a general guide, some programs set a materiality threshold at 5% for Scope 1 and 2, and 10% for Scope 3. Note that materiality thresholds may be specified under some regulatory reporting regimes.
  - The materiality of a source can only be established after it has been assessed. This does not necessarily require a rigorous quantification of all sources, but can be based on a general estimate using available data.
  - For some organizations, Scope 3 emissions are much greater than their direct (Scope 1) GHG emissions or energy indirect (Scope 2) GHG emissions. A key example for downstream users of aluminium is the production of the metal. Averaged emissions data for aluminium production is available from producer associations.
  - Where businesses have challenges calculating Scope 3 GHG emissions, or they are not material, this should be noted in the disclosure.

• Calculations and disclosure may relate to activities of a wider organisation of which your Entity is a part, or to those activities within the Entity’s ASI Certification Scope (where different):
  - The focus of 5.1 is on transparency, and providing a basis of information for emissions reduction plans in 5.2.
  - To be covered by a corporate reporting framework, the facility/Entity seeking Certification must fall within the scope of the broader corporate reporting group, and be internally accounted for in order to develop the aggregate information.
  - When Scope 1 and/or Scope 2 emissions are produced to provide non-Aluminium products and services to clients they can be reported separately. For example, this could
be for other business activities such as production of electricity or water for clients/communities, or when an Entity imports and exports electricity with the public grid as part of an energy exchange program with a net zero approach over an agreed reporting cycle.

- Note that carbon footprint of an entity is different to a carbon footprint of a product. The latter concept is being incorporated in the ASI Chain of Custody (CoC) Standard.
- When determining Scope 2 GHG emissions for consumption of purchased/imported electricity, preference should be given to actual data from the source generator (where known) over use of generalised or averaged GHG emission factors for the local, regional or national electricity grid.

- Through your website, or upon request, publicly disclose your GHG emissions and energy use by source.
  - Large companies are expected to disclose their material GHG emissions and energy use via their website. For small and medium enterprises, this can be done either via the Entity’s website, or upon request via e-mail or regular mail.
  - The Global Reporting Initiative (GRI) framework is based on the reporting requirements of the GHG Protocol.
  - Consider engaging in platforms such as the Carbon Disclosure Project (CDP).

### 5.2 GHG emissions reductions

<table>
<thead>
<tr>
<th>Aluminium Smelter GHG Emissions Intensity Performance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where an Entity is engaged in Aluminium Smelting and where the Aluminium Smelter:</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>b. Was in production up to and including 2020, the Entity shall demonstrate that Mine to Metal Emissions intensity:</td>
</tr>
<tr>
<td>i. Is below 11.0 t CO₂e/t Al, or</td>
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<tr>
<td>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:</td>
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<tr>
<td>• below 13.0 t CO₂e/t Al by end 2025,</td>
</tr>
<tr>
<td>• below 11.0 t CO₂e/t Al by end 2030.</td>
</tr>
</tbody>
</table>

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: Are at a level below 12 tonnes CO₂-eq per metric tonne Aluminium per metric tonne Aluminium. Or
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.

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.

**Application:**
- This Criterion applies to all Aluminium Smelters.
Background:

- Rationale for threshold value(s)
  - Global average Aluminium Smelter Mine to Metal emissions intensity is around 16 t CO₂e/t Al, with performance spread between 4 and over 25 t CO₂e/t Al.
  - The largest driver of variability within this range is the power mix of electricity for Aluminium Smelting (Scope 2 GHG Emissions when purchased, Scope 1 GHG Emissions when self-generated), which is from near zero to over 20 t CO₂e/t Al.
  - Scope 3 GHG Emissions (categories 1, 3 and 4) at a Smelter’s Casthouse are on average globally around 3 t CO₂e/t Al (mainly from the Alumina Refining process upstream of Aluminium Smelting – which can also be scope 1 when owned/operated by the Smelter-operating Entity). The variability in these emission sources is much lower, with a range of around 2.5 to 4 t CO₂e/t Al.
  - The global average Mine to Metal emissions intensity (~16 t CO₂e/t Al) is at the upper end of the range because the majority of Aluminium produced (~60%) is from Aluminium Smelters which utilise coal-fired power.
  - Gas-fired smelters, or those with a fossil/low-carbon power mix, sit at around are typically at 9-11 t CO₂e/t Al (6-8 t CO₂e/t Al scope 1 and 2 only).
  - The IAI-developed 1.5°C pathway for the Aluminium sector indicates that average Mine to Metal emissions intensity needs to be below 13.5 t CO₂e/t Al by 2025 and 11.5 t CO₂e/t Al by 2030.
  - From 2030 global average primary emissions intensity must be reduced much more significantly and future iterations of this Criterion will reflect this fact (as well as changing scientific consensus).
  - This Criterion has been developed to align with ASI’s Theory of Change.
  - Exclusion of high emitting Aluminium Smelters in baseline years would not give an opportunity for improvement in their performance through ASI Performance Standard Certification. Thus a pathway for improvement is included in the Criterion, for those Aluminium Smelters operating at the upper end of the emissions curve. In general, switching of power source for high emitting Smelters is very challenging (given they are mostly self-generating) but needs to occur.
  - This Criterion also ensures that newly operating (post-2020) coal-fired Smelters cannot be conformant.

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3 ASI (2021) 1.5 Degrees Scenario: A Model To Drive Emissions Reduction https://international-aluminium.org/resource/1-5-degrees-scenario-a-model-to-drive-emissions-reduction
Figure 2 – Global Average Primary Aluminium Mine to Metal Emissions Intensity (t CO\textsubscript{2e}/t Al), under a Beyond 2 Degree (B2DS) and 1.5 Degree (1.5DS) Aligned Scenarios (from IAI, 2021)
Points to Consider in Implementing Criterion 5.2:

- **Mine to Metal scope**
  - Note that this Criterion only applies to Entities engaged in Aluminium Smelting and is applicable to all Smelter facilities within an Entity’s Certification Scope. Calculations are at an individual Smelter level and not averaged across multiple smelting operations. It is important to appreciate that emissions data will change over time.
  - Use of the GHG Protocol (and related Aluminium tools for Aluminium specific process emissions calculations https://ghgprotocol.org/calculation-tools#aluminium) is recommended.
  - The use of alternative methods, whilst not recommended, is still provided for under the Criterion. This provides a level of flexibility for situations where an Entity is required to report using a specific method under Applicable Law. In such cases, consistency with the GHG Protocol is advised, ensuring that any material differences in method are clearly explained, and presented in conjunction with the data.
  - Mine to Metal Emissions include GHG Protocol Scope 1, 2 and 3 GHG Emissions, categories 1, 3 and 4, or equivalent, measured at the Smelter Casthouse.
  - Scope 3 GHG Emissions are limited to those sources ‘upstream’ of the Smelter Casthouse and to categories 1, 3 and 4 (GHG Protocol https://ghgprotocol.org/standards/scope-3-standard).
    - Category 1 - Purchased goods and services
    - Category 3 - Fuel- and energy-related activities
    - Category 4 - Upstream transportation and distribution
  - These categories generally represent the most material (upstream) Scope 3 GHG Emissions of an Aluminium Smelter and are most closely linked to precursor materials production processes (Bauxite, Alumina, carbon, fuels). Therefore, GHG Protocol Scope 1, 2 and 3 (categories 1, 3 and 4) can be seen to be almost equivalent to a (partial) cradle-to-gate carbon footprint of the cast Aluminium under study and delivering comparable data that allows like-for-like benchmarking of Smelter emissions.
  - Other upstream Scope 3 categories are less closely linked to production processes themselves, but rather the structure of the Business.
  - While GHG Protocol Scope 3 GHG Emissions under this Criterion are limited to categories 1, 3 and 4, Criteria 5.1, 5.3 and 5.4 may include all Scope 3 GHG Emissions categories, upstream and downstream of the Entity’s activities, as these Criteria are focused on decarbonisation strategies, emissions management and transparency, rather than (Smelter) operational performance in and of itself.

For 5.2(b)(ii):

- Demonstration of a 10% reduction in emissions under 5.2 (b.ii) is over previous three-reporting periods (usually annual), not 10% per reporting period/year.
- There is no provision in the Criterion for Entities which commenced operation on or after January 1, 2021 to operate above an 11.0 tonnes CO₂e per metric tonne Aluminium threshold. Auditors are directed to consider extenuating circumstances (such as significant operational disruptions or force majeure situations) if emissions exceed this threshold for a single reporting period and should therefore assess the typical or average emissions intensity for previous and subsequent reporting periods. Auditors should also consider the actions and resources that the Entity has dedicated to emissions reductions over the previous three reporting periods when making a judgement on Conformance.
- Abatement plans are implementable strategies of action to reduce direct and indirect emissions from the Entity’s Aluminium Smelting activities, through technological, procurement or other means, but not through offsetting or other compensation mechanisms. Some abatement options are shown in Guidance under Criterion 5.3.
  - Evaluate which direct and/or indirect emissions (identified in 5.1) have the highest reduction potential.
Using this analysis, develop a plan aimed at reducing energy consumption and/or GHG emissions. Specify concrete actions and deadlines for implementation, including the responsible staff and/or production areas. Note that targets should allow for growth and/or changing product mix, where relevant. If Scope 3 emissions are not currently included in disclosures, consider developing a plan to account for and include these in the future.

For aluminium smelters, the US EPA and The Aluminum Association have collaborated on a program to reduce PFC emissions. Further information, and resources and tools, are available on the program website.

Consideration can be given to emerging technologies in areas such as grid modulation to optimise production against CO₂ emissions. Include monitoring systems as part of the annual accounting for GHG emissions to evaluate progress on the plan’s implementation and towards targets.

Consider using available resources such as the Science Based Targets (SBT) Initiative, a program jointly run by the Carbon Disclosure Project (CDP), World Resources Institute (WRI), WWF and the United Nations Global Compact. The SBT initiative’s overall aim is that by 2020, science-based target setting will become standard business practice and corporations will play a major role in driving down global greenhouse gas emissions. The initiative:

- Showcases companies that set science-based targets through case studies, events and media to highlight the increased innovation, reduced regulatory uncertainty, strengthened investor confidence and improved profitability and competitiveness generated by science-based target setting.
- Defines and promotes best practice in science-based target setting with the support of a Technical Advisory Group.
- Offers resources, workshops and guidance to reduce barriers to adoption.
- Independently assesses and approves companies’ targets.

Aluminium Smelters. An Entity engaged in Aluminium Smelting shall:

5.3 GHG Emissions Reduction Plans.

The Entity shall:

a. Establish a GHG Emissions Reduction Plan and ensure a GHG Emissions Reduction Pathway consistent with a 1.5°C warming scenario, using an ASI endorsed methodology when available.

b. Ensure that the GHG Emissions Reduction Pathway includes an Intermediate 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.

c. Regularly review the effectiveness of the GHG Emissions Reduction Plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

d. Publicly disclose the GHG Emissions Reduction Pathway and, annually, the regular review of the effectiveness of the GHG Emissions Reduction Plan.

Ensure that the reduction pathway includes an Intermediate Target covering a period no greater than five years, which:

- Addresses all direct and indirect emissions.
- Is developed using a science-based approach endorsed by ASI, if available.
- Is publicly disclosed.

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 ensure Mine to Metal Emissions are at
All Entities shall:

- 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.
- Ensure that the reduction pathway includes an intermediate reduction target covering a period no greater than five years. The target must:
  - Be developed using a science-based approach endorsed by ASI, if available.
  - Be publicly disclosed.
- Publicly disclose progress against this target annually.
- Demonstrate that they have put in place the necessary Management System, evaluation procedures, and operating controls to limit the Direct GHG Emissions.
- For Aluminium smelters in production up to and including 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO₂-ey per metric tonne Aluminium by 2030.
- For Aluminium smelters starting production after 2020, demonstrate that the Scope 1 and Scope 2 GHG Emissions from the production of Aluminium is at a level below 8 tonnes CO₂-ey per metric tonne Aluminium.

**Application:**

- This Criterion applies to all Facilities.

**Points to Consider in implementing Criterion 5.3:**

5.3(a) Emissions reduction pathways as the basis of a plan

- As of October 2021, the IAI 1.5°C pathway⁹, aligned with the International Energy Agency’s ‘Net-Zero Emissions by 2050’ Scenario¹⁰, is the only aluminium sector-specific pathway available against which to develop a plan and associated targets.
- The Science-Based Targets Initiative (SBTi) provides a framework and methodology that may be appropriate for use by some Entities, whereas in many circumstances it may not allow for all the inputs arising from the complexity of the Entity’s scope of activities and supply chain activities. The current SBTi Sectoral Decarbonisation Approach (SDA) for the Aluminium sector is not aligned with Below 1.5°C Warming Scenario and has a limited scope compared with IAI 1.5°C pathway. ASI is working with IAI on a 2022 project to align the aluminium sector SDA with a 1.5°C pathway and IAI developed, IEA aligned scenarios may be updated in future. Alternatively if other appropriate methodologies are developed that are appropriate for use in the sector, these may also be reference in future iterations of this Guidance.
- ASI reserves the right to modify its endorsements to meet the evolving global competencies. As global consensus develops around a methodology, ASI intends to endorse only those that have gained global approval.
- In order to develop a more accurate overall emissions reduction pathway for the Entity, specific pathways for each main emissions source may be developed. There will be different rates, end points and intermediate milestones for individual pathways, for each of which the Entity can identify investment needs, technological availability and readiness of infrastructure, and then recombine at pre-determined points in time.

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⁹ IAI (2021) 1.5 Degrees Scenario: A Model To Drive Emissions Reduction https://international-aluminium.org/resource/1-5-degrees-scenario-a-model-to-drive-emissions-reduction

• The IAI has specified three Aluminium sector-wide emissions abatement pathways11, which are described briefly below. Entities may consider these when developing their own specific emissions reduction pathway(s).

• Energy efficiency gains in existing production capacity through incremental improvement (“creep”), retrofitting and installation of new capacity would contribute only around 10% to emissions reduction. The application of major technological shifts will be required in order for the sector to achieve material emissions reductions over the next 30 years to 2050. Whilst some of the technological concepts still lack commercial viability presently, they will become a pre-requisite if emissions across the sector are to reduce to the levels required for the below 1.5°C warming scenario.

• **Pathway 1 – Electricity decarbonisation**
  - More than 60% of the Aluminium sector’s 1.1 billion tonnes of CO₂e emissions (2018) are from the production of electricity consumed during the smelting process. Decarbonised power generation and the deployment of carbon capture utilisation and storage offer the most significant opportunity to reduce power-related emissions to near zero by 2050.

• **Pathway 2 – Direct Process Emissions**
  - Emissions from fuel combustion comprise approximately 15% of the industry's emissions. Here, electrification (with renewables), carbon capture utilisation and storage and the use of renewable energy-produced ('green') hydrogen offer the most credible pathways to achieving the sector’s climate goals. These apply to primary and recycling/downstream parts of the value chain.
  - Process emissions make up a further 15% and require the development and deployment of new technologies, such as inert anodes.
  - Direct emissions intensity, along with direct and indirect emissions from transport and raw material production will need to be reduced by 95% from a 2018 baseline scenario by 2050 across all parts of the value chain.

• **Pathway 3 – Recycling and resource efficiency**
  - At a sector-wide level increasing aluminium post-use collection rates to near 100%, reducing Pre-Consumer Scrap generation and other resource efficiency progress by 2050 could reduce the aluminium sector's emissions by an additional 300 million tonnes of CO₂e per year.
  - For Entities looking to drive change an increasing demand for post-consumer scrap (in some product segments and applications) may increase end of life collection and recovery rates, but for many applications supply is constrained and increasing recycled content may only reduce others’ ability to access qualities and quantities of scrap. In addition to focusing on procurement of scrap and increasing recycled content Entities (particularly those supplying long lifetime products) will need to look at how they are encouraging end of life recovery through, for instance, design for disassembly, design for reuse, design for recycling or increased product lifetime (which may also constrain recycled supply, while delivering improved resource efficiency).

For **5.3(a) GHG emissions reduction plans**
- Entities may wish to use any one or more of the following (non-exhaustive) abatement options as part of an emissions reduction plan, subject to commercial, technical and logistical viability. Availability and impact of options may also vary over time.
  - Increased use of low carbon and renewable power sources
  - Electrification of processes (using low carbon or renewable energy)
  - Fuel switching (including green hydrogen)
  - Deployment of inert anode technology
  - Deployment of direct reduction technologies
  - Deployment of mechanical vapour recompression technologies

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- Procurement strategies (use of low carbon input materials)
- Marketing strategies (sale of product)
- Increased share of recycled materials
- Carbon capture utilisation and storage
- Other direct emissions reduction opportunities

- In addition to abatement plans, regulatory or voluntary compensation of emissions through, for instance, offsetting may form part of an Entity’s broader emissions reduction plan, beyond value chain mitigation.

- Examples and approaches to beyond value chain mitigation are outlined by the Science Based Targets Initiative\textsuperscript{12}, as part of supporting materials for a Net-Zero Standard\textsuperscript{13}.

- Setting targets
  - A reduction pathway articulates both a (2050) ‘end state’ and regular intermediate targets.
  - Such intermediate (quantitative) targets measure performance against qualitative technological and other (procurement/supply, investment) strategies on the part of the Entity, such that implementation of the strategy in a given (intermediate) period enables the next.
  - Long term targets focus on abatement (and neutralisation) as the primary route to emissions reduction, with compensation potentially applied to residual emissions during transition and thus appropriate for inclusion in intermediate targets.
  - Appropriate targets are those which go well beyond business as usual and are both measurable and indicative of progress along an ambitious pathway that is 1.5°C aligned. For example, the IAI’s 1.5°C pathway for the aluminium sector indicates a near 100% reduction in electricity-related emissions by 2050 and around 95% reduction in direct emissions intensity. While Entities will move at different rates towards this end point, the ambition is clear. Note too the need for >11.0 smelters to reach 15.0 by 2025 (more than half of the world’s primary production is currently above 15.0) and then 11.0 by 2030.
  - Low materiality (<5% of total inventory) emission sources may be excluded from the plan, but may be subject to inclusion in intermediate targets.
  - As targets and progress against such are to be publicly disclosed, Criterion 5.1 – pre-publication independent verification of disclosed GHG data – will apply.

For 5.3(a) Review:
- Conduct regular reviews of the GHG Emissions Reduction Plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - Changes within the company or external to the Business which would impact the GHG Emissions Reduction Plan
  - Alignment with legal requirements

- Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years.
- Following a review, improvements should be identified and implemented where required.
- ‘Where required’ could include when the plan has been found to:
  - Not be fully effective in meeting its objectives.

\textsuperscript{12} SBTi (2021). Beyond Value Chain Mitigation FAQ. https://sciencebasedtargets.org/resources/files/Beyond-Value-Chain-Mitigation-FAQ.pdf
Not meeting stakeholder expectations
- Not aligned with leading practices
- Not meeting legislative requirements.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years.

Following a review, improvements should be identified and implemented where required. 'Where required' could include when the Code of Conduct has been found to:
- Not be fully effective in meeting its objectives
- Not meeting stakeholder expectations
- Not aligned with leading practices
- Not meeting legislative requirements.

Note: This criterion applies only to Entities engaged in aluminium smelting.

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 GHG Emissions Reduction Plan and targets developed in 5.3 (a), (b), and (c).

Application:
- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 5.4:
- Management systems include GHG emissions reporting tools and databases, regular review, verification and quality control of data. This is in addition to the independent verification requirements as described in Criterion 5.1.
- The Entity may have a separate energy Management System (developed in conformance to ISO 50001) or equivalent) where energy management procedures and work instructions make reference to the expected GHG emissions reductions from energy reduction activities and initiatives. It is recommended that the Energy Management System (or energy component of the Integrated or Environmental Management System) should demonstrate that the Entity has considered all currently available and economically feasible management technologies.
- It is recommended that the Entity incorporate GHG emissions management and performance against emission reduction targets into internal auditing programmes and protocols. This will assist Entities in understanding whether existing management and operational controls are sufficient to meet the reduction requirements as stated in the targets developed as part of criterion 5.3. Internal auditing programmes may also make provisions for the identification of improvement opportunities.
- The Entity’s Management System may cross reference emissions reduction initiatives in action plans, capital expenditure programs, business improvement strategies and plans.
- Good practice is for operational controls to be reviewed and inspected regularly, and/or reviewed on a regular basis including the ongoing relevance and applicability of procedures and work instructions.
- Where deemed as a material issue by the Entity, GHG emissions management are recommended to be incorporated into the business risk register and/or environmental risk register as a separate entry and to be accompanied by a suite of GHG emissions reduction initiatives and improvement plans. These actions will specify appropriate human and financial resource allocation as well as deadlines and authorisations.
- Procedures for and implementation of regular data collation, validation and reporting of GHG emissions (refer to 5.1) are recommended.
• These Procedures will also provide for and make clear which accounting and reporting method(s) has been selected by the Entity (refer to 5.1). It is recommended to present all assumptions, exclusions and estimations in these procedures, along with instructions for relevant Workers on how to use effectively the selected reporting methodologies.

• It is recommended that the Entity ensures that Workers responsible for the collation, validation and reporting of data, and the implementation of operational controls are competent individuals and are supported by the provision of appropriate training. Where relevant, Position descriptions should make reference to these responsibilities.

• Consider the involvement on the Entity in research and development initiatives in emissions management including the participation in industry forums, roundtables and initiatives.

• For those Entities utilising grid-based electricity, the Entity may demonstrate regular engagement with their energy provider to identify contractual and supply-based opportunities for emissions reductions. This also can include the purchasing of renewable energy in the smelter management system.

Review:

• Are you already accounting for and disclosing GHG emissions and energy use by source? If not, find the applicable methodology and reporting framework.

• Have you developed emissions reductions targets and plans?

• For 5.3(a), all aluminium smelters must be able to show how their internal management systems work to limit direct GHG emissions.

• For 5.3(b) and 5.3(c), the methodology to be used is the Guidance and calculation tools developed by the International Aluminium Institute (IAI) and the GHG Protocol: http://www.ghgprotocol.org/calculation-tools/aluminum

  • The Entity must use the IAI methodology, or a methodology consistent with IAI, ensuring that any material differences to the IAI methodology are explained. The use of an alternative, but consistent, methodology is to allow the input of better quality data as set out in some regulatory contexts.

  • The IAI methodologies for determining CO₂ and PFC emissions from an aluminium smelter are calculations based on process parameters. There are methods for directly measuring GHG emissions of an aluminium smelter, but there is limited use of these to date.

  • For consistency across Entities, emissions related to anode production, electricity production, smelting (electrolysis), and casting must all be included in the calculation, irrespective of whether they are direct or indirect sources. In other words, emissions related to anode production and casting must be included in the calculation even if they fall under the definition of Scope 3 emissions.

  • Note: IAI are currently developing further guidance on data and calculations for Scope 2 emissions, which will be referenced once available.

• For 5.3(b), aluminium smelters in production before 2021 need to either:

  • Already be producing at or below 8 tonnes CO₂-eq per metric tonne of aluminium; or

  • Have defined and are implementing a strategy or a plan aimed at reducing Scope 1 and 2 GHG emissions below 8 tonnes CO₂-eq per metric tonne of aluminium by 2030.

  • The plan can include the purchasing of renewable energy in the smelter management system to count towards controlling Scope 1 and 2 GHG emissions, and it should be in line with the GHG Protocol (version released 2014) or comparable.

• For 5.3(c), this Criterion would be verified only after 1 January 2020. Its objective before that time is to guide Entities aiming at including new smelters in their ASI Certification Scope in future. From 2020, such aluminium smelters need to be producing at or below 8 tonnes CO₂-eq per metric tonne of aluminium.
This can include the purchasing of renewable energy in the smelter management system to count towards controlling Scope 1 and 2 GHG emissions, and it should be in line with the GHG Protocol (version released 2014) or comparable.

Note that for 5.3(b) and (c), calculations must be at an individual smelter level and shall not be averaged across multiple smelting operations.
6. Emissions, Effluents and Waste

**Principle**
The Entity shall minimise emissions and effluents that have the potential to adversely impact human health and safety or that of the environment and manage Waste according to the Waste Mitigation Hierarchy.

**Related Criteria**

**3.1 Sustainability reporting**

**Applicability**

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**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**

Emissions, effluents and Wastes can be directly related to operating processes including raw material management, processing and the output quality of products. Wastes can also be generated from indirect sources-processes such as transportation, administration and infrastructure development. Significant Wastes specific to Alumina and Aluminium production include Bauxite Residue, Spent Pot Lining (SPL) and Dross.

The specific approaches taken to managing Waste vary based on a range of variables, including the Waste characteristics, the nature of the operation or activity, regulatory environment, local ecology, and the available local and national Waste facilities. However, there are basic principles of Waste management that apply everywhere based on the Waste Mitigation Hierarchy, which prioritises prevention of Waste generation, followed by minimization of such. These are to reduce the amount of Waste produced—the reuse of Waste materials, recycling if they cannot be used in their existing form, and recovery of resources (such as energy) from Waste. The final measure: last option for Waste management under the hierarchy is to ensure safe disposal of any residual Wastes.

**Key Concepts**

**Bauxite Residue** – A residual Waste generated in the Bayer process for Alumina Refining from Bauxite. It is mainly composed of iron oxides, titanium oxide, silicon oxide and undissolved Alumina, together with a wide range of other oxides which will vary according to the country of origin of the Bauxite. (Adapted from Bauxite Residue Management—Best Practice, IAI/EA, 2015)
Discharges to Water — Water effluents discharged to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water either through:

- A defined discharge point (point source discharge)
- Over land in a dispersed or undefined manner (non-point source discharge)
- Wastewater removed from the organization via truck.

(Adapted from Global Reporting Initiative — GRI G4 Implementation Manual, 2013, p253) Discharge of collected rainwater and domestic sewage is not regarded as water discharge.

Dross — A layer of intimately mixed Aluminium, Aluminium oxides and gases on the surface of molten Aluminium which is generated in the furnaces of Aluminium Re-melters/Refiners and Casthouses. Also known as skimmings, it must be removed from the surface before the metal is cast. It is also recovered from the bottom and walls of liquid metal containers, e.g. furnaces or transport ladles or transfer channels. (Adapted from Aluminium Recycling in Europe, European Aluminium)

Emissions to Air — Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the Entity’s operations. (Adapted from Global Reporting Initiative — GRI G4 Implementation Manual, 2013, p252)

Hazardous Waste — Waste defined as such by national legislation at the point of generation, and treated Waste deemed hazardous under the terms of the Basel Convention. (Adapted from Global Reporting Initiative — GRI G4 Implementation Manual, 2013, p123)

Non-hazardous Waste — All other forms of solid or liquid Waste, excluding wastewater, that are not considered Hazardous Waste. (Adapted from Global Reporting Initiative — GRI G4 Implementation Manual, 2013, p123)

Salt slag — Residue generated after remelting of Aluminium scrap with fluxing salt, consisting of salt in which metallic and non-metallic particles are entrapped in amounts that exhaust their fluxing properties. Also known as ‘salt cake’. (Adapted from Aluminium Recycling in Europe, European Aluminium)

Spills and (or) Leakage — Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water. (Adapted from Global Reporting Initiative — GRI G4 Implementation Manual, 2013, p252).

Spent Pot Lining (SPL) — A by-product of the Aluminium Smelting process generated from the relining of pots. SPL is considered a Hazardous Waste because of its fluoride, cyanide and reactive metal content. Also known as Spent Pot Liner or Spent Cell Liner.

Untreated Spent Pot Lining (Untreated SPL) — SPL that has not been treated, either fully or partially, to alter its reactive properties and to eliminate its hazardous properties.

Waste Mitigation Hierarchy — The Waste Mitigation Hierarchy can be summarised as a set of process options from most favourable to least favourable to protect human health and the environment from impacts associated with the generation, storage, handling, treatment, transportation and disposal of Wastes. The hierarchy aims to maximise the benefits from raw materials and process operations, so as to minimise the generation of Waste. It incorporates the concepts of reuse, recycling and recovery as follows (in order of preferred to least preferred options):

1. Avoidance, including action to prevent or reduce the amount of Waste generated by households, industry and all levels of government.
3. Resource recovery, including re-use, recycling, reprocessing and energy recovery, consistent with the most efficient use of the recovered resources.

4. Disposal, including management of all disposal options in the most environmentally responsible manner.

(Adapted from Environmental Protection Authority NSW and the European Union Waste Framework Directive)

Implementation

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

6.1 Emissions to Air (Air Emissions).

The Entity shall:

- Quantify and publicly disclose Emissions to Air from activities within its Area of Influence, with the potential to impact adversely human wellbeing or the environment that have adverse effects on humans or the environment and
- Implement plans to minimise exposure to these adverse impacts from Emissions to Air.
- Regularly review the effectiveness of the plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

Application:

- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 6.1:

- Where Indigenous Peoples are present:
  - Enable the participation of concerned affected Indigenous Peoples (where they desire), and any independent technical experts chosen by or with selected by them, to determine acceptable levels of air emissions should their expectations differ from the pre-existing legislative framework relating to air emissions including greenhouse gas emissions.
  - For Bauxite Mining, consider the emissions and impacts associated with any explosives used to access resources, the removal/burning of forests of vegetation (i.e., through controlled burning), and dust pollution emissions associated with transportation, the stockpiling or storage of Bauxite and the presence of bare earth.
  - Empower communities to participate in the emissions monitoring during exploration and extraction stages program and provide regular communication of air emission monitoring results to these communities.
  - Note that during the Impact Assessment and development approval stages, Emissions to Air should be incorporated in the Free Prior Informed Consent process as per Criteria 9.4 (FPIC) and 2.5 (Environment and Social Impact Assessments).

For 6.1 (a)

- In order to quantify Emissions to Air, Entities will usually develop an inventory and (including baseline) of Emissions to Air that have adverse effects on humans or the environment. In consultation with Qualified Specialists and Affected Populations and Organisations external experts as needed.
  - For Entities with multiple sites and processes, the inventory may be conducted developed and periodically updated for each site individually, taking into account Applicable Law applicable regulatory requirements, including any annual site licensing requirements.
  - Use of site data can be used to maintain calculate aggregate data at an Entity level, based on the figures calculated or measured for each of the relevant sites.
Aluminium Smelters should ensure they include any fluoride emissions (in the form of gases and particulates).

In order to understand the potential to impact adversely human wellbeing or environmental health, Entities will usually assess the impacts to the receiving airshed from the Entity’s sourcepoint and fugitive emissions. This assessment may include air dispersion modelling that accounts for meteorological conditions and wind profiles, worst case emission scenarios, terrain and topography, and the location and type of nearby buildings and structures, in particular those sensitive receptors such as residential areas, schools, hospitals and public open space that may be affected, and contributory effects for other sources of air emissions and the location of nearby sensitive receptors.

Consider parameters such as physical, chemical and biological stressors relating to the site’s direct air emissions.

As a minimum, it is expected that the following should be monitored, where emissions exist and are considered a potential environmental and/or human health risk:

- Oxides of sulphur (SOx)
- Oxides of nitrogen (NOx)
- Carbon monoxide (CO)
- Fluorides (F)
- Particulate emissions (PM10 and PM2.5)
- Ozone (O3)
- Chlorine (Cl)
- Polycyclic Aromatic Hydrocarbons (including Benzo(a)Pyrene)
- Volatile Organic Compounds (VOC)
- Dioxins and furans is monitored, where point source emissions are considered a significant environmental and/or human health risk.

Specific parameters relating to bioavailable forms of metals such as Lead (Pb), Mercury (Hg), Arsenic (As), (hexavalent) Chromium (Cr (VI)) and Cadmium (Cd) should also be considered. Copper (Cu) and Iron (Fe) should also be considered, as well as Ozone (O3), Chlorine (Cl), Volatile Organic Compounds (VOC), and dioxins and furans.

An Entity should also consider dust as a potential source of fugitive Emissions to Air. These may include dust emissions generated from activities such as earthmoving, transport activities and from exposed bare earth. Uncontrolled dust emissions may lead to negative impacts on ecological and human health. Consideration of the impact of dust emissions on local Communities is discussed in Criteria 9.7 (Local Communities) and 11.2 (OH&S Management Systems) for consideration of potential impacts to occupational health. Potential impacts from dust emissions on biodiversity should be considered as part of Criterion 8.1 (Biodiversity and Ecosystem Services Risk and Impact Assessment).

The attenuation of noise emissions is fundamental in reducing not only impacts to Worker and Community health, but also any potential impacts to biodiversity. Attenuation of noise can be achieved through operational controls such as (but not limited to), installation of insulative materials, installation of sound walls, enclosing equipment, and restricting the operating hours of fixed and mobile equipment.

Ensure that you achieve applicable regulatory air emissions and/or local air quality (atmospheric) standards. In the absence of applicable regulatory standards, prevailing international standards for air emission discharges and air (atmospheric) quality such as the International Finance Corporation Air Emissions and Ambient Air Quality Guidance should be referenced.

You may include reporting on air emissions in Sustainability Reporting under Criterion 3.1.
• applicable regulatory Air Emissions and/or local air quality (atmospheric) standards. In the absence of applicable regulatory standards, prevailing international standards for air emission discharges and air (atmospheric) quality such as the International Finance Corporation Air Emissions and Ambient Air Quality Guidance can be referenced:
  o Good practice for operational concentration of Emissions to Air (measure of substance per volume of air and volume limits / total emissions) would see development in consultation with Affected Populations and Organisations, stakeholders and technical experts and inclusion of benchmarks and milestones.
  o Where a set of leading practice concentration limits exist for a specific region and/or industry, these may be integrated within the emissions reduction plan.
  o In the absence of relevant regional or industry data, the Entity should aim to meet prevailing international standards for air emissions and ambient air quality.

• Maintain an emissions monitoring program to periodically measure or calculate relevant emissions identified in the inventory and/or reduction plan.
  — Regularly review progress against the emissions reduction plan and update the plan accordingly.
  — The monitoring plan should include a site plan that provides the specific location of all fixed monitoring equipment, as well as air sampling locations, including all point sources (stacks, chimneys and vents), plus any locations where fugitive emissions are sampled.
  — The emissions monitoring program should include the necessary requirements for the calibration of air monitoring equipment.

For 6.1(c):
• Conduct regular reviews of the plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  o The size and scope of the Business
  o The degree of evolution practices for the treatment of Emissions to Air
  o Alignment with legal requirements.

Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. Irregular or significant adverse monitoring results may trigger an earlier or more frequent review.
• Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the plan has been found to:
  o Not be fully effective in meetings its objectives
  o Not meeting stakeholder expectations
  o Not aligned with leading practices
  o Not meeting legislative requirements.

Points to Consider in Auditing Criterion 6.1:
For 6.1(c):
• It is expected that during an initial Certification Audit, an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 6.1b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance/Re-certification Audits would verify the review was conducted as planned.

6.2 Discharges to Water
The Entity shall:
  8. Quantify and publicly disclose report Discharges to Water from activities within its Area of Influence, with the potential to impact adversely human wellbeing or the environment.
b. that have adverse effects on humans or the environment and implement plans to minimise these exposure to and adverse impacts from Discharges to Water.

c. Regularly review the effectiveness of the plan and, where required, identify and implement improvements. The duration of time between reviews shall not exceed five years.

Application:

- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 6.2:

- Where Indigenous Peoples are present:
  - Ensure affected communities are informed of all relevant laws and international Standards in relation to Discharges to Water.
  - Empower communities to participate in the water monitoring program and provide regular communication of water monitoring results to these communities.
  - Enable the participation of Indigenous peoples (where they desire) in baselines studies for impact assessments, and ongoing monitoring discharges to water and water quality against baselines and targets.
  - Note that during impact assessment and development approval stages, discharges to water should/will form part of a Free Prior and Informed Consent process as per Criteria 9.4 (FPIC) and 2.5 (Environmental And Social Impact Assessments).

For 6.2 (a)

- In order to quantify Discharges to Water, Entities will usually develop an inventory (including baselines) in consultation with Qualified Specialists and Affected Populations and Organisations.
  - For Entities with multiple sites and processes, the inventory may be developed and periodically updated for each site individually, taking into account Applicable Law, including any annual site licensing requirements.
  - Use of site data can be used to calculate aggregate data at an Entity level, based on the figures calculated or measured for each of the relevant sites.
- Develop an inventory and baseline relating to Discharges to Water that have adverse effects on humans or the environment. Consult with external experts as needed:
  - For Entities with multiple Facilities, develop and periodically update the inventory at each site, taking into account applicable regulatory requirements, including any annual site licensing requirements.
  - For companies with multiple sites, conduct the inventory at each site, taking into account applicable regulatory requirements.
  - Use site data to maintain aggregate data at an Entity level, based on the figures calculated or measured for each of the relevant sites.
- Ensure that you meet or exceed applicable regulatory, licensing and/or local water quality standards. In the absence of applicable regulatory standards, prevailing international Standards for water discharges and water quality such as the International Finance Corporation Air Emissions and Ambient Air Quality Guidance should be referenced.

Ensure that you meet or exceed applicable water quality standards.

- In order to understand the potential to adversely impact human wellbeing or environmental health, Entities will usually assess the impacts to the receiving watershed from discharge. This assessment may include modelling that accounts for aquatic conditions and residence times, worst case emission scenarios and the location and type of downstream ecosystems and ecosystem services.
- Consider parameters such as physical, chemical and biological stressors relating to the site’s direct and outsourced water effluents.
• As a minimum, it is expected that the following parameters are monitored:
  o pH
  o Total dissolved solids (TDS)
  o Salinity (PSU)
  o Electrical conductivity (EC)
  o Temperature.
• Specific parameters relating to Sodium (Na), Potassium (K), Copper (Cu), Iron (Fe), Magnesium (Mg), Sulphate (SO4) and Nitrate (NO3) should also be considered.
• In the absence of relevant local water monitoring criteria, consult the European Commission Water Framework, the USEPA Water Quality Criteria or the ANZECC & ARMCANZ Water Quality Guidelines.
• Include reporting on Discharges to Water in Sustainability Reporting under Criterion 3.1.
• Where Discharges by the Entity include water from other Entities or Businesses outside the Certification Scope (e.g. single outflows from multiple sources), the Entity should ensure that publicly disclosed data is robust and reflects the Entity’s specific Discharges to Water at a minimum.

For 6.2 (b)
• Management plans for Discharges to Water will usually be developed in harmonization with applicable regulatory, licensing and/or local water quality standards. In the absence of applicable regulatory standards, prevailing international Standards for water discharges and water quality such as the International Finance Corporation Air Emissions and Ambient Air Quality Guidance should be referenced.
  o Good practice for management plans for Discharges to Water would see development in consultation with Affected Populations and Organisations and technical experts and inclusion of benchmarks and milestones.
• Where a set of leading practice concentration limits exist for a specific region and/or industry, these may be integrated within the emissions reduction plan. Ensure that you meet or exceed applicable regulatory, licensing and/or local water quality standards. In the absence of applicable regulatory standards, prevailing international Standards for water discharges and water quality such as the International Finance Corporation Air Emissions and Ambient Air Quality Guidance should be referenced.

Develop and implement a management plan for Discharges to Water that includes benchmark targets and milestones.
  o Aim to identify your operational minimum/s in relation to Discharges to Water, in consultation with Affected Populations and Organisations/stakeholders and Qualified Specialist experts.
  o Where a set of leading practice values exist for a specific region and/or industry, these should be integrated within the discharges reduction plan.
  o In the absence of relevant regional or industry data, the Entity should aim to meet prevailing international standards for water discharges and water quality.
• Maintain a monitoring program to periodically measure or calculate relevant Discharges to Water identified in the inventory and/or management plan. This plan could be produced either as a stand-alone plan, or integrated into the water management plan (refer to Criterion 7.2. For sites where water (inherent) risks are rated as high, it is recommended that a stand-alone, separate plan is developed.
  o Consider parameters such as physical, chemical and biological aspects relating to the site’s direct and outsourced water effluents. As a minimum, it is expected that pH, total dissolved solids (TDS), salinity (PSU), electrical conductivity (EC) and temperature is monitored. Specific parameters relating to Sodium (Na), Potassium (K), Copper (Cu), Iron (Fe), Magnesium (Mg), Sulphate (SO4) and Nitrate (NO3) should also be considered. In the absence of relevant local water monitoring criteria, consult the European Commission Water Framework, the USEPA Water Quality Criteria or the ANZECC & ARMCANZ Water Quality Guidelines.
- Water monitoring is usually to be undertaken in accordance with any site licensing requirements, however additional monitoring may be required, depending on seasonal variability, in particular after significant rainfall events. Monitor as often as needed, for example monthly or seasonally.
- The plan may include specific actions relating to maintaining the integrity of existing operational controls, as well as incorporating initiatives and improvement actions which aim to improve the quality of waters discharged to the environment over time. Regularly review progress against the water management plan and update the plan accordingly, to ensure that the baseline water quality of the receiving water bodies is maintained. The plan should include specific actions relating to maintaining the integrity of existing operational controls, as well as incorporating initiatives and improvement actions which aim to improve the quality of waters discharged to the environment over time.
- The water monitoring program should include a site plan that provides the specific location of all fixed water monitoring equipment, as well as water sampling locations, including all licensed discharge points, stormwater discharge points plus any locations where Water Emissions are sampled.

- Also refer to Criteria 7.1 (Water Assessment), 7.2 (Water Management) and 7.3 (Disclosure of Water Usage and Risks). For Entities engaged in Bauxite Mining, as well as those with major Waste water treatment facilities:
  - Waste water containing structures are well managed using best available techniques for safety and prevention of unplanned discharges (see also Criteria 6.3 (Assessment and Management of Spills and Leakage) and 6.4 (Reporting of Spills))

For 6.2 (c):
- Regularly review progress against the water management plan and update the plan accordingly, to ensure that the baseline water quality of the receiving water bodies is maintained. Conduct regular reviews of the plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - Alignment with legal requirements.
  - Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. Irregular or significant adverse monitoring results may trigger an earlier or more frequent review.
- Following a review, improvements should be identified and implemented where required. 'Where required' could include when the plan has been found to:
  - Not be fully effective in meetings its objectives
  - Not meeting stakeholder expectations
  - Not aligned with emerging leading practices
  - Not meeting legislative requirements.

Points to Consider in Auditing Criterion 6.1:

For 6.2 (c):
- It is expected that during an Initial Certification Audit, an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 6.2b would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance /Re-certification Audits would verify the review was conducted as planned.

6.3 - Assessment and Management of Spills and Leakage
The Entity shall:
a. Conduct an assessment of major risk areas of operations where Spills and Leakage may contaminate air, water and/or soil.

b. Following completion of this assessment, have in place a management and external communication plans, compliance controls and a monitoring programme in place to prevent, and detect and remediate these Spills and Leakages and an external communications plan to inform Affected Populations and Organisations.

Application:
- This Criterion applies to all Facilities.

Points to consider in implementing Criterion 6.3:
- Where Indigenous Peoples are present:
  - Make sure that potentially affected communities are fully informed of all material risks associated with potential Spills and Leakage and ensure that these communities are immediately notified of any material uncontained Spill or Leakage (see Criterion 6.4 (Reporting of Spills))
  - Enable the participation of Indigenous Peoples (where they desire) in monitoring of risk areas to prevent and detect Spills and Leakage.

For 6.3 (a)
- Risk assessments are used to identify and document major risk areas of operations relating to Spills and Leakage to air, water or soil.
- Establish and implement risk management processes to address the risks identified through documented control measures. Control measures may include (but not be limited to) the following:
  - Implementation of regular training processes for relevant Workers relating to prevention and mitigation of these risks
  - Regular inspection regimes related to leak prevention and containment equipment and structures (such as the integrity of hardstand areas, bunds, sumps, interceptor traps and drains)
  - The regular integrity testing and inspection of all bulk storage vessels by technical specialists, including pipes and fill points
  - Installation of leak detection equipment and leak detection processes (such as reconciliation of statements and inventories related to chemical stored in bulk facilities)
  - Implementation of monitoring systems aimed at preventing and detecting Spills and Leakage
  - Predictive modelling of Spills and Leakages.

For 6.3 (b)
- Remediation plans for Spills and Leakages should be included in risk management processes as should communication plans, including what, how, when and with whom communication is to be carried out.
- Developing an external communication plan, developed in Consultation with Affected Populations and Organisations key stakeholders including regulatory authorities, includes details of all emergency services. Make sure it addresses how the reporting of Spills and Leakages (see Criterion 6.4 (Reporting of Spills)) would be undertaken, including identification of relevant Affected Populations and Organisations stakeholders.

6.4 Reporting of Spills and Leakage
The Entity shall:
- Disclose to Affected Populations and Organisations affected parties the volume, type and potential impact of material significant Spills and Leakages immediately after an incident.
- Publicly disclose, on an annual basis, Impact Assessments of the material significant Spills and Leakages, root causes, and remediation actions taken and report publicly on an annual basis.
Application:
- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 6.4:

For 6.4 (a):
- The significance of a spill should consider the volume, type substance(s) and the potential impacts resulting from the Spill.
- If and when a material significant Spill or Leakage occurs:
  - Immediately report the Spill or Leakage to emergency services (fire, police and environment protection agency (or equivalent)) Co-ordinate with emergency services
  - Identify key internal and external stakeholders: Workers and Affected Populations and Organisations, including affected parties and regulatory authorities
  - Disclose the volume, type and potential impact of the Spill or Leakage as soon as is practicable to key internal and external Stakeholders: Affected Populations and Organisations, including potentially affected Communities
  - Ensure prompt disclosure and regular updates on impacts and remediation actions as further information becomes available
  - Respond in a timely way to inquiries
    - Update the risk management and communications plan (refer to Criterion 6.3 (Assessment and Management of Spills and Leakages)) to track actions and progress.

For 6.4 (b):
- Thereafter publicly disclose on a regular basis any updated information relating to previously occurring material significant Spills, the assessment of their impacts and the ongoing results from mitigation and remedial actions undertaken.
  - This may be included in Sustainability Reporting under Criterion 3.1 (Sustainability Reporting) and/or communicated separately.
  - It may be in addition to any legal or regulatory requirements in Applicable Law related to the reporting of Spills of Leaksages.
- Where Indigenous Peoples are present:
  - Ensure that affected communities are immediately informed of any Spills or Leakages and their potential impacts
  - Ensure that all non-emergency remediation actions are undertaken in Consultation and cooperation with them.

Points to Consider in Auditing Criterion 6.4:
- Where no Spills or Leakages have occurred in the time since joining ASI this Criterion should be rated as Not Applicable.

6.5 Waste Management and Reporting
The Entity shall:
- a. Implement a Waste management strategy that is designed in accordance with the Waste Mitigation Hierarchy.
- b. Publicly disclose, on an annual basis, the quantity of Hazardous and Non-Hazardous Waste generated by the Entity, and associated Waste disposal methods.
• Where Indigenous Peoples are present:
  o Ensure that a summary of Waste information is provided to them which includes a baseline statement that provides an overview of main Waste streams present on site, as well as typical quantities produced. Updates to this baseline is provided to affected communities on a regular basis.
  o Make reports available to affected communities for their review and if requested ensure access is provided to independent experts is available for affected communities to undertake their own validation.
  o Provide reports against baselines to affected communities for validation, with adequate funding made available for independent experts to assist communities in their review.

For 6.5(a):
• Develop and implement a Waste management strategy or plan covering all Waste types and streams generated within the relevant scope of operations.
  o The Waste management strategy should include sustainable and integrated control measures that mitigate impacts from generation, management (including storage and handling), treatment, transportation and disposal of Wastes.
  o Include time bound action plans to reduce landfill and achieve zero landfill as long term target
  o Review all applicable regulations for the management, treatment and/or disposal of Wastes, particularly hazardous Wastes.
  o Characterise the Wastes, considering factors such as sources, composition, separation, quantities, flow/production rates, transfer and storage, treatment, destination/pathways and disposal.
  o Consider the Waste Mitigation Hierarchy (see introduction to this chapter) and how to most effectively manage Wastes to reduce adverse impacts on humans and the environment. The hierarchy in order of most preferred to least preferred option is avoidance, resource recovery and disposal.
  o Options for improved Waste management may include technical measures (e.g. pollution control equipment), operational controls (e.g. better Procedures), production controls (e.g. controlling types of materials used), management controls (e.g. clearly defined responsibilities) and training.
  o Consider the use of partnerships with local Waste treatment and recycling facilities that can process those Wastes generated at the Entity, as well as those that can offer recycling facilities (treatment and/or collection).
  o Develop benchmark targets and milestones for the Waste management strategy to deliver meaningful improvements over time to reduce adverse impacts to humans and/or the environment.
  o Risks associated with the off-site movement and transportation of Waste should take into account factors such as routes taken, proximity to populated areas, use of sealed containers, Waste transportation Contractors (including the appropriateness of vehicles and vessels), and any applicable regulations regarding transportation of Hazardous Waste. It is important to ensure that this is included in the Waste management plan as well as the controls developed for Criterion 6.3 (Assessment of Management of Spills and Leakage).

For 6.5(b):
• Annually publish information about the types and quantity of Hazardous and Non-Hazardous Waste generated, as well as the associated Waste treatment methods used.
  o This may be included in Sustainability Reporting under Criterion 3.1 and/or made available on your website (for SMEs, the information can be made available on request).
  o The level of detail in reporting should reflect the level of interest or concern from relevant Affected Populations and Organisations stakeholders. This may be in addition to any local or regulatory requirements relating to reporting of Hazardous and Non-Hazardous Waste.
If Waste quantity information is not readily available, estimate the weight or quantity using available information on Waste density and volume collected, mass balances, or similar information. Other potential sources of information include external Waste audits by providers of disposal services or Waste balance sheets from these providers.

### 6.6 Bauxite Residue

An Entity, where engaged in Alumina Refining, shall:

a. Not discharge Bauxite Residue to aquatic environments.

b. Establish a timeline and a roadmap for the elimination of Bauxite Residue lagooning in favour of good practice technologies for Bauxite Residue storage or re-use of the Bauxite Residue. Any Alumina Refining Facility starting production after 2020 shall only use good practice technologies for Bauxite Residue storage or re-use of the Bauxite Residue.

c. Have constructed storage areas in a manner that effectively prevents the release of Bauxite Residue and leachate to the environment.

d. Perform regular checks and controls, including those conducted by third parties, to ensure the integrity of the Bauxite Residue storage.

e. Assess the impact of the water discharge from Bauxite Residue storage and mitigate any material potential impacts to the environment.

f. Control and neutralise water discharge from Bauxite Residue storage, to minimise impacts to the environment.

g. Assess the impact of the water discharge from Bauxite Residue storage and mitigate any material potential impacts to the environment.

h. Not discharge Bauxite Residue to marine and aquatic environments.

i. Establish a timeline and a roadmap for the elimination of Bauxite Residue lagooning in favour of state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue. Any Alumina Refining Facility starting production after 2020 shall only use state of the art technologies for Bauxite Residue storage or re-use of the Bauxite Residue.

j. Remediate the Bauxite Residue area after closure of the Alumina Refining Facility to a state that can adequately mitigate the risk of future environmental contamination.

### Application:

- This Criterion applies to all Alumina Refineries.

### Points to consider:

- Consult Bauxite Residue Management: Best Practice, published by International Aluminium Institute (IAI)/European Aluminium Association (2015) for design and operational recommendations that recognise and promote best good practices for the sustainable management of Bauxite Residue storage facilities. The ICMM Global Industry Standard on Tailings Management (2020) provides a comprehensive framework for the integrated approach to tailings management, to prevent catastrophic failure and enhance safety in mine tailings management, including which has application to Bauxite Residue storage facilities.

- Additional references that may be of value include the International Council on Mining and Metals (ICMM) Review of Tailing Management Guidelines and Recommendations for Improvement (2016), which points to the need for an increased emphasis on governance, in addition to existing technical and management approaches, and ANCOLD Guidelines of Dam Safety Management and the Guidelines of Tailings Dams – Planning, Design, Construction, Operation and Closure.

- Where Indigenous Peoples are present:

  o Affected communities are informed about the amounts of Bauxite Residue generated and its management, including any long-term strategies that related to the reconfiguration or decommissioning of any storage facility.

  o New refining processes make use of the latest technology, with verification by independent technical experts chosen by or with the community.
For 6.6(a):

- The Bauxite Residue itself (whether treated or untreated) must not be discharged into marine or fresh water ecosystems.

For 6.6(b):

- ‘Elimination’ of Bauxite Residue lagooning refers to the phasing out of this practice for new impoundment areas, but does not require re-construction of the previously constructed Bauxite Residue lagoons into an alternative storage facility nor the re-processing of the Residue.
- Good practice for Bauxite Residue storage currently include dry stacking, dry disposal, or neutralisation of the Bauxite Residue. Other newer technologies or enhancements to existing practices may also emerge over time.
  - The use of dry disposal methods aims to minimize the land area required for storage and the risk of leachate to groundwater. The process aims to ‘wash’ the residue and then filter it to produce a dry cake with more than 65% solids. Where feasible, through the use of modern press filters, the content of solids should be increased to reach 70-75%.

For 6.6(c):

- Bauxite Residue may contain leachate and surface water run-off which can impact the environment if released. It is thus essential that Bauxite Residue storage areas are designed, constructed and maintained to ensure effective containment of both the Bauxite Residue and leachate.
- Older Facilities may have storage areas that were constructed without a liner or base drainage system. In such instances, appropriate leachate containment and treatment controls must be in place and commensurate to the quantities managed and the nature of the Facility. Other controls to prevent releases/discharges of Bauxite Residue/leachate to the environment may include groundwater monitoring and leachate pumping bores.
- It is recommended that the Entity publicly disclose the location, size and age of the Bauxite Residue storage facilities. It is also suggested that information relating to the management of these facilities is made available to interested Affected Populations and Organisationstakeholders upon request.

For 6.6(d):

- The guidance for Criterion 6.5 Assessment and Management of Spills and Leakage is relevant in relation to uncontrolled release of Bauxite Residue and leachate.

For 6.6(e):

- Routine checks and controls should be undertaken by internal personnel which would typically include visual inspections (no more than on a weekly basis) to identify potential incidences of cracking, weeping, surface erosion or any other geotechnical abnormalities, and by third parties. Less frequent, but far more detailed inspections must be undertaken by appropriately Qualified Specialists with expertise in geotechnical engineering, hydrogeology and dam safety. For example, these could include visual daily inspections for cracks by internal personnel, other internal audits, and periodic external assessments by geotechnical/engineering experts.
- The frequency of these should be adequate to the type of Bauxite Residue storage. For example, lagooning has a higher degree of risk to maintaining ongoing storage integrity than dry storage. The climatic setting of the Bauxite Residue storage should also be factored when developing an inspection plan – areas subject to higher rainfall and/or a greater rate of significant/extreme rainfall events should be subjected to more frequent inspections.

For 6.6(f) and (g):
Water discharge can include surface run-off or groundwater that may have been impacted by leachable substances from the Bauxite Residue. Such discharges must be controlled and will typically require some level of chemical neutralisation.

Partial or complete neutralisation can be achieved by the use of acids (normally sulfuric acid or hydrochloric acid), carbon dioxide, sulphur dioxide, sea water or concentrated brines. Neutralisation of the Bauxite Residue reduces the potential hazard associated with the deposit and can aid re-vegetation of the land during restoration.

In some coastal locations, leachate is treated with sea water to such a level that it can be released back to the sea or estuary under controlled conditions, and in accordance with regulatory requirements. Neutralisation of the Bauxite Residue reduces the potential hazard associated with the deposit and can aid re-vegetation of the land during restoration.

The Bauxite Residue itself (whether treated or untreated) must not be discharged into marine or aquatic fresh water environments.

Elimination’ of Bauxite Residue lagooning refers to the phasing out this practice for new impoundment areas, but does not require re-construction of the previously constructed Bauxite Residue lagoons into an alternative storage facility nor the re-processing of the Residue.

The use of dry disposal methods aims to minimize the land area required for storage and the risk of leakage to groundwater. The process aims to ‘wash’ the residue and then filter it to produce a dry cake with more than 65% solids. Where feasible, through the use of modern press filters, the content of solids should be increased to reach 70-75%.

Bauxite Residue re-use is an emerging process with environmental benefits. The commercial viability of re-use applications varies on a case by case basis, and depending on location and proximity to activities and Businesses that would leverage these re-use applications.

The guidance for Criterion 8.7 on Mine Rehabilitation is relevant in relation to Bauxite Residue area remediation.

The ASI Performance Standards aim to cover active production, so as to be able to incentive change in these production practices.

Spent Pot Lining (SPL)
The Entity, where in Aluminium Smelting, shall:

a. Store and manage SPL to prevent the release of SPL or leachate to the environment.
b. Optimise processes for the recovery and recycling of carbon and refractory materials from SPL.
c. Not landfill Untreated SPL where there is the potential for adverse environmental effects.
d. Review at least annually alternative options to landfilling of treated SPL and/or stockpiling of SPL.
e. Not discharge SPL to freshwater and brackish water environments.

ef. Not discharge SPL to a marine environment unless the SPL is treated and contained in floodpits and it can be demonstrated that there are no adverse impacts from the discharge.

Application:
- This Criterion applies to all Aluminium Smelters.
Points to **consider in Implementing Criterion 6.7:**

- Consult the Sustainable Spent Pot Lining Management Guide published by the International Aluminium Institute/European Aluminium Association (February 2020) for design and operational recommendations that recognise and promote leading good practices for the sustainable management of Spent Pot Lining.

**For 6.7(a):**

- Spent Pot Lining (SPL) contains hazardous compounds, which can impact the environment if released. It is thus essential that storage areas are designed, constructed and maintained and controls for managing SPL are implemented to ensure effective containment of the SPL and its derivatives.

**For 6.7(b):**

- Develop and implement an SPL management plan with specific targets relating to treatment of end-of-life SPL that focuses on addressing the hazardous properties and quantity of generated SPL.
- The SPL management plan must specify the treatment options adopted, including the inspection and testing regime for any managed SPL facilities, as well as the use of any external Contractor organisations engaged in the transport, treatment and/or disposal of SPL.
- Seek to maximise recycling of carbon and refractory parts of SPL or treated SPL by-products. Maximising recycling includes considering availability of cost-effective alternatives.
- Consider recycled materials and by-products for use by other industries, for example as a feedstock in the cement, mineral wool and steel production processes, and in the construction of roads (as base materials).
- Consider opportunities for collaboration to increase the supply of recyclable SPL materials to economic levels. Often individual Aluminium Smelters do not produce enough SPL to provide a continuous supply of feedstock, for example to enable a cement plant to justify their conversion to receiving this material or setting up of a centralised SPL treatment facility.
- Where SPL can be used as fuel for other industries and this is demonstrated to be more beneficial than recycling, it can be considered a valid substitute.
- Specify targets, actions and deadlines for the implementation of the plan.

**For 6.7(c), (d):**

- A range of options for treatment of SPL is articulated in Sustainable Spent Pot Lining Management Guide (IAI 2020).
- Untreated SPL is first or second cut material that has not undergone any processing to detoxify or remove/neuralise fluoride and cyanide compounds.
- Untreated SPL must not be landfilled unless the Entity can demonstrate that there are no adverse effects to the environment from the landfilled SPL or any leachate associated with the landfilled SPL.
- Regularly search for better end-of-life options to the landfilling of treated SPL (incinerated or chemically treated) that reduce environmental impacts and are economically feasible.
- Benchmark SPL management alternatives and identify ‘best available technology’, considering the total costs, including long-term liabilities and risk premiums.
- Keep records of all actions undertaken in this regard, and review and update the management plan as appropriate.

**For 6.7(e):**

- Ensure that SPL, whether treated or untreated, is not discharged in freshwater or brackish ecosystems.
- The term “marine and aquatic environments” does not cover wet storage in specially designated areas which are sealed to avoid leakage.

**For 6.7(f):**

- The term “marine ecosystem” does not cover wet storage in specially designated areas which are sealed to avoid leakage.
• Treated SPL may be discharged to marine ecosystems only where the Entity can demonstrate that there are no adverse effects to the environment from the discharged SPL or any leachate associated with the discharged SPL.

6.8 Dross
The Entity, where engaged in Aluminium Re-melting/Refining and/or operating a Casthouse, shall:

a. Store and manage Dross to prevent the release of Dross and leachate to the environment.

b. Maximise the recovery of Aluminium by treatment of Dross and Dross residues.

c. Maximise the recycling of treated Dross residues.

d. Demonstrate that they regularly review alternative options to landfilling of Dross residues.

Application:
• This Criterion applies to all Aluminium Re-melters/Refiners and Casthouses.

Points to Consider in Implementing Criterion 6.8:

For 6.8(a), (b) and (c):
• Dross can impact the environment if released. It is thus essential that storage areas are designed, constructed and maintained and controls for managing Dross are implemented to ensure effective containment of the Dross and its derivatives.

• Develop and implement a management plan for the treatment of Dross and Dross residues, such as Salt Slag / salt cake and other processing Wastes including refractory materials.

• Dross does not necessarily have to be treated on site — it is often sent to specialised processors.

• Treatment should seek to maximise the recovery of Aluminium and the recycling of treated Dross residues. The recovery rates will vary according to available technologies and processors, and the nature of the Dross and Dross residues. It is acknowledged that in some regions, on-site or third-party processors may not be available or practicable.

• Where alternative methods to recycling of treated Dross can be applied, and this is demonstrated to be more beneficial than recycling, it can be considered a valid substitute.

• Specify concrete targets, actions and deadlines for the implementation of the plan.

For 6.8(a), (b) and (c):
• Undertake regular investigations and reviews into better end-of-life options for the landfilling of Dross residues that reduce environmental impacts.

• Keep records of all actions undertaken in this regard, and review and update the management plan as appropriate.
## Waste Reporting

The Entity shall report the following information to the ASI Secretariat on the designated template (in elementAl) within six months after the end of each calendar year, as applicable:

**Where engaged in Alumina Refining:**
- Total quantity of Bauxite Residue generated (in metric tonnes)
- Total quantity of Bauxite Residue treated (in metric tonnes) using (i) lagooning, (ii) neutralisation, (iii) dry stacking, (iv) recycling, including the nature of recycling or, (v) other – please state other treatment or use
- Quantity of Bauxite Residue generated (in metric tonnes) per tonne of Alumina produced

**Where engaged in Aluminium Smelting:**
- Total quantity of SPL generated (in kilograms)
- Total quantity of SPL recycled (in kilograms)
- Quantity of carbon and refractory materials that are recycled (in kilograms) per tonne of Aluminium produced

**Where operating a Re-melter/Refiner and/or Casthouse:**
- Total quantity of Dross generated (in kilograms)
- Total quantity of Dross recycled (in kilograms)
- Quantity of Dross that are recycled (in kilograms) per tonne of Aluminium produced

### Points to consider:
Still under development

### Review:
- Do you report Emissions to Air, Discharges to Water and hazardous and non-hazardous Wastes?
- Do you have a risk management and communications plan for potential Spills and Leakages?
- Alumina Refiners: Are you adopting leading practices for Bauxite Residue management?
- Aluminium Smelters: Do you maximise recycling of Spent Pot Lining (SPL)?
- Aluminium Re-melters/Refiners and Casthouses: Do you treat and maximise recycling of Dross residues?
7. Water Stewardship

**Principle**
The Entity shall withdraw, use and manage water responsibly to support the stewardship of shared water resources.

**Related Criteria**
3.1 Sustainability Reporting
9.3 Indigenous Peoples (where applicable)

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
<th>Applicability of Performance Standard Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite Mining</td>
<td>7.1</td>
</tr>
<tr>
<td>Alumina Refining</td>
<td>7.2</td>
</tr>
<tr>
<td>Aluminium Smelting</td>
<td>7.3</td>
</tr>
<tr>
<td>Aluminium Re-melting/Refining</td>
<td></td>
</tr>
<tr>
<td>Casthouses</td>
<td></td>
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<tr>
<td>Semi-Fabrication</td>
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<tr>
<td>Material Conversion (Production and Transformation)</td>
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<tr>
<td>Material Conversion (Industrial Users)</td>
<td></td>
</tr>
<tr>
<td>Other manufacturing or sale of products containing Aluminium</td>
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</tbody>
</table>

**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**
Water is a precious shared resource used by Communities, ecosystems and economic activities. Increasing pressure on water resources due to increasing population and food demand, increased economic activity, changes to land use and economic growth, climate change, pollution of waterways, and other challenges, is having major impact on our collective social, economic, and environmental well-being.

The term ‘water stewardship’ is being increasingly used to describe actions to improve the efficiency and cleanliness of Business operations and supply chains, while also facilitating the sustainable management of shared freshwater resources through collaboration. It recognises that both Business and societal risks are increased when water is poorly managed or over-exploited.

It is also important that Entities may both contribute to impacts from water related risks or be affected by these impacts, with the latter often relevant for smaller Businesses.

**Key Concepts**

**Area of influence** – Encompasses, as appropriate, areas likely to be affected by:
- an Entity’s activities and Facilities, and/or impacts from unplanned but predictable developments that may occur later or at a different location, and/or indirect project impacts on biodiversity or on Ecosystem Services upon which affected Communities’ livelihoods are dependent.
Examples for (a) include the project’s sites, the airshed and Watershed, or transport corridors, and indirect impacts include power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, construction camps, and contaminated land (e.g., soil, groundwater, surface water, and sediments).

For (b), examples of Associated Facilities may include ports, dams, railways, roads, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.

For (c), cumulative impacts are typically those impacts which in isolation may be considered small and/or incremental, however over time are recognized as important on the basis of scientific concerns and/or concerns from Affected Communities, as the accrual of these small/incremental impacts leads to a significant impact/s over time.

Examples of cumulative impacts include: incremental contribution of gaseous emissions to an airshed; reduction of water flows in a Watershed due to multiple withdrawals; increases in sediment loads to a Watershed; interference with migratory routes or wildlife movement; or more traffic congestion and accidents due to increases in vehicular traffic on Community roadways. (Adapted from International Finance Corporation (IFC) Performance Standard 1 – Guidance Notes)

Notes:

- ‘Area of Influence’ is referenced in 7.1 (Water Stewardship), 8.1 (Biodiversity) and 9.5 (Cultural and Sacred Heritage), in relation to the Entity assessing impacts and managing risks in these areas for a given Certification Scope.
- Some activities and related impacts/risks in an Area of Influence may not be under the Control of the Entity. However, where required by these Criteria, these impacts and risks shall still be assessed by the Entity and, wherever practicable, mitigation measures and/or controls should be put in place.
- Associated Facilities which are part of an Entity's Area of Influence but not under the Entity's Control are not part of the Certification Scope. In other words, the activities and related impacts/risks of Associated Facilities which are not under the Entity’s Control are not factored into determining the Entity’s Conformance.

Watershed – An area of land that drains all the streams and rainfall to a common outlet such as the outflow of a reservoir, mouth of a bay, or any point along a stream channel. The word Watershed is sometimes used interchangeably with drainage basin or catchment. (Adapted from United States Geological Survey (USGS))

Implementation

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

7.1 Water Assessment and Disclosure
The Entity shall:
a. Identify, document and map publicly disclose its water withdrawal and use by source and type.

b. Assess and, where material, publicly disclose water-related risks in Watersheds in the Entity’s Area of Influence.

**Application:**
This Criterion applies to all Facilities.

**Points to consider in Implementing Criterion 7.1:**

For 7.1(a):
- A water balance is an approach used to identify and map the flow of water in and out of an operational facility.
  - A site water balance is comprised of three main components: water withdrawals, water discharge and water consumption.
    - The formula for calculating a site water balance is: withdrawal volume = discharge volume + consumption volume + any change in the volume of onsite water storage.
    - If meteorological data are available, consider incorporating evaporation should also be incorporated into the water balance, in particular where large process water bodies are present (e.g. Bauxite Residue storage facilities and other open water storage dams).
- When calculating withdrawal, usage and discharge volumes, consider all types (e.g. freshwater, brine, potable, recycled, etc.) and sources (ocean, lakes, rivers, municipal supply, ground water, water treatment plants, etc.) from/to surface or subsurface waters, and sewers and stormwater drains that lead to rivers, oceans, lakes, wetlands, treatment facilities, or ground water. This could be through:
  - A defined withdrawal or discharge point (point source)
  - Over land in a dispersed or undefined manner (non-point source)
  - Water imported and wastewater removed from the organization via truck road transport.
- Note that collection and discharges of rainwater and domestic sewage are not regarded as water discharge under GRI G4 Guidelines (see p253).

For larger Entities, additional details could include:
- Name and location of water sources, including water service provider (if applicable), water quantities, and ultimate source of the water
- Water discharge points, their name, location and quantity, including the destination or ultimate receiving water body.

While a representative water map is good information for any Business, its main purpose is to target the assessment of material water related risks in accordance with 7.1(b). For instance, it may be more important to identify water withdrawn from sensitive water bodies instead of trying to accurately account for every litre of water sourced from municipal supply. Water maps do assist in providing a visual representation for both internal and external stakeholders. Workers and all Affected Populations and Organisations and may be particularly useful when engaging with Indigenous Peoples and explaining the water balance concept.

Differentiation between direct water withdrawal from a catchment area or aquifers and public water systems that are controlled by a utility company is useful when assessing water related risks and opportunities.

An example template of a water map or inventory with example entries for a small foundry Business is shown in Table 3.

**Table 3 – Example Water Inventory Map for Family Foundry & Parts**

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Facility</th>
<th>Main</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Foundry &amp; Parts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Function/Activity</td>
<td>Water Type</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Die casters (2 high pressure)</td>
<td>Aluminium parts (by order)</td>
<td>Fresh water</td>
</tr>
<tr>
<td>Maintenance wash bay</td>
<td>Die preparation</td>
<td>Fresh water</td>
</tr>
<tr>
<td>Kitchen / Bathrooms</td>
<td>Use by workers</td>
<td>Fresh water</td>
</tr>
<tr>
<td>Toilets</td>
<td>-</td>
<td>Recycled water</td>
</tr>
<tr>
<td>Gardens</td>
<td>-</td>
<td>Rainwater tank</td>
</tr>
</tbody>
</table>

For 7.1(b):

- Assess water-related risks, taking into account the Entity’s position in the Watershed/s connected to its operations.
  - Tools and frameworks are available that allow Entity’s to identify and assess water-related risks and access guidance on how to address them. For example:
    - **WWF’s Water Risk Filter**
    - **Alliance for Water Stewardship – International Water Stewardship Standard**
    - **ISO 14046:2014 on Environmental management -- Water footprint -- Principles, requirements and guidelines**
    - For Bauxite Mining, the **ICMM Water Stewardship Framework, A practical Guide to Consistent Water Reporting** and **Guide to Catchment Based Water Management**
    - Increasingly companies are relying on hydropower for the generation of green energy for Aluminium production. For hydropower facilities that are part of the operations, the **Hydropower Sustainability Assessment Protocol** may be relevant.
  - The water risk assessment should take into account, and be proportional to, the relationship between water use intensity and water availability in the area. Water quality, water stress or shared water challenges in catchments may be an important issue in some settings.
The water risk assessment should also be commensurate with the size and nature of the Entity. Small Businesses may have relatively minor impacts to water resources but may be highly dependent on the supply and access to water resources (in terms of quality and quantity). In these cases, the ‘Area of Influence’ becomes more important for small Businesses as their ability to influence is often limited.

Area of Influence is related to the Entity’s associated project impacts, Associated Facilities and cumulative impacts.

- Consideration of the Entity’s ability to influence impacts attributed to Associated Facilities based needs to be taken into account especially those that exist predominately to support the Entity’s activities.
- The ability to influence depends on the relationship and arrangement between the Entity and the surrounding areas and/or the owners, operators or managers of the Associated Facilities.
- For example, impacts (whether direct or indirect) associated with a pipeline or electrical transmission corridor servicing the Entity’s Facilities will depend on factors such as when the pipeline or transmission line was constructed and for what purpose, and how many other users there are attributed to the pipeline or the electrical transmission line. This includes the dependency of the Entity on the Watersheds required to support its operations and the impacts to the Entities activities from the natural environment.
- Reasonable boundaries, for instance as by being adjacent, immediate or though some other demonstrable substantive connectivity, should also be defined and assumed in regard to the extent of impacts to and from the Watershed in which the Entity operates.

- Small Businesses would not normally be of the scale to have an Area of Influence beyond the areas of their direct activities and Facilities.

The World Resources Institute (WRI) Aqueduct Country and River Basin Rankings have identified and assessed water scarcity risk based on 180 countries and over 100 specific water catchments. Whether the Entity is located in a water-scarce region should provide significant input into assessing water-related risks.

Consultation with Affected Populations and Organisations can assist in determining a more accurate representation of the materiality or significance of identified risks.

Where present, Indigenous Peoples should be aware of, Consulted on, and where they desire participate in the identification of water-related risks. They should be fully informed of:

- Water sources to be used, any potential risks to these and associated mitigation plans
- Discharges to water and all possible sources of pollution
  - In the case of Bauxite Mining, any impacts to water levels as a result of the removal of Bauxite, and measures in place to avoid the potential for Spills and Leakages (on roads, in rivers and sea) during the transportation the stockpiling and storage of Bauxite or kaolin
  - Any changes to the local hydrological regime, for example a temporary blockage or diversion of a local stream due to construction activities, or more permanent changes from the construction of new drainage lines, widening of streams and creeks, or indirect changes to flow rates and seasonal variabilities in water availability
  - In the case of Alumina Refining, the disposal of red mud and its potential impacts on Watersheds, rivers, sea or land in the case of foreseen and unforeseen events.

### 7.2 Water Management

The Entity shall:

a. Implement water management plans, developed in conjunction with Affected Populations and Organisations with time-bound targets that address material risks identified in Criterion 7.1(b).

b. Regularly review the effectiveness of the plans and where required, identify and implement improvements.

c. Monitor the effectiveness of the plans.
Application:
- This Criterion applies to all Facilities.
- This Criterion is Not Applicable when the risks identified in 7.1(a) are assessed and documented as low.

Points to consider in implementing Criterion 7.2:

For 7.2(a):
- Develop, adopt and implement a water management plan that addresses the material risks identified in the water risk assessment referred to in 7.1(b).
  - The planning process needs to identify time-bound targets for responsible water management that seek to achieve improvements in water efficiency, and where possible, reduction of water withdrawal and usage.
  - Where relevant, development and implementation should be in consultation with Affected Populations and Organisations.
  - Where present, ensure that Indigenous Peoples are provided with the opportunity to be Consulted on and, where they desire, participate in the management of water-related risks.
  - Consider how to engage with relevant collaborative initiatives relating to water use in the Watershed/s.

For 7.2(b):
- Regularly evaluate the effectiveness of the water management plans and progress towards targets.
  - Stakeholders Affected Populations and Organisations are materially affected by the organisation’s water use, proactive communication measures regarding water management plans would be appropriate, in addition to the usual communication channels such as annual reports or website.
- Guidance on water management can be found in the Alliance for Water Stewardship – International Water Stewardship Standard.
- Emerging work on Context Based Water Targets, that aim to make use of the best available science, are informed by contextual social needs, and align with local and global public policy objectives such as the Sustainable Development Goals, may also be of interest when developing plans and setting targets.

7.3 Disclosure of Water Usage and Risks
The Entity shall report water withdrawal and use and disclose material water-related risks.

Points to consider:
- For 7.3, publish information, such as in the Entity’s sustainability report (Criterion 3.1 (Sustainability Reporting)) or via the company website, on water withdrawal and use, and water-related risks that have been identified and the measures in place aimed at mitigating these risks.
  - Reporting frameworks for water include the GRI Standards (GRI 303: Water and Effluents 2018) and CDP Water.
  - The frequency of reporting should be based on changes in identified risks resulting from updated risk assessments.

Review:
- Do you map and report your water use?
- Are you implementing water management plans to address material water-related risks?
8. **Biodiversity and Ecosystem Services**

**Principle**
The Entity shall manage its biodiversity and ecosystem service impacts in accordance with the Biodiversity Mitigation Hierarchy to protect ecosystems, habitats and species.

**Related Criteria**
- 2.5 – Environment and Social Impact Assessments
- 2.10 – Closure, Decommissioning and Divestment
- 7.1 – Water Assessment
- 9.4 – Free Prior and Informed Consent (FPIC)

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
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<tr>
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<tr>
<td>Bauxite Mining</td>
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<td>Alumina Refining</td>
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</table>

**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the **ASI Assurance Manual**.

**Background**

Biodiversity means the variability among living organisms, including on land, in marine and freshwater environments. It includes diversity within species, between species and of the ecosystems in which they live. Biodiversity encompasses all living things, from human beings to micro-organisms, their habitats, and the genetic material within individual species. It is the sum total of life on earth.

Maintaining biological diversity within whole ecosystems is vital for their health and functionality. Functioning ecosystems maintain our essential services to sustain life, such as recycling and purification of water and air, soil generation and the pollination of crops, the creation of soils and the breakdown of pollution. Maintaining biological diversity within populations of species is also important, as it ensures that genetic diversity of a species is preserved. Reducing population sizes and ranges of species distributions – through direct or indirect impacts reduces the genetic diversity and therefore the resilience of species, overuse or environmental degradation – lowers their genetic potential to adapt or survive in rapidly changing environmental conditions.

Under the Planetary Boundaries concept, biosphere integrity – avoiding species extinction and the loss of biodiversity – is one of nine processes and systems that regulate the stability and resilience of the Earth System. The interactions of land, ocean, atmosphere and life together provide conditions upon which our societies
depend, and the planetary boundaries approach provides a framework for sectors of societies to reduce risk while developing sustainably.

Biodiversity often underpins ‘ecosystem services’, which are the benefits that people, including businesses, derive from ecosystems. The Convention on Biological Diversity (CBD) sets out the following 12 complementary and interlinked principles for implementing an ecosystem approach:

- Principle 1: The objectives of management of land, water and living resources are a matter of societal choices.
- Principle 2: Management should be decentralized to the lowest appropriate level.
- Principle 3: Ecosystem managers should consider the effects (actual or potential) of their activities on adjacent and other ecosystems.
- Principle 4: Recognizing potential gains from management, there is usually a need to understand and manage the ecosystem in an economic context.
- Principle 5: Conservation of ecosystem structure and functioning, in order to maintain ecosystem services, should be a priority target of the ecosystem approach.
- Principle 6: Ecosystem must be managed within the limits of their functioning.
- Principle 7: The ecosystem approach should be undertaken at the appropriate spatial and temporal scales.
- Principle 8: Recognizing the varying temporal scales and lag-effects that characterize ecosystem processes, objectives for ecosystem management should be set for the long term.
- Principle 9: Management must recognize the change is inevitable.
- Principle 10: The ecosystem approach should seek the appropriate balance between, and integration of, conservation and use of biological diversity.
- Principle 11: The ecosystem approach should consider all forms of relevant information, including scientific and indigenous and local knowledge, innovations and practices.
- Principle 12: The ecosystem approach should involve all relevant sectors of society and scientific disciplines.

Protected Areas remain a fundamental building block of virtually all national and international conservation strategies, supported by governments and international frameworks such as the Convention on Biological Diversity (CBD). Comprehensive and representative lists of various types of designated Protected Areas aim to ensure that ecosystems, habitats and species are protected from damage and loss, particularly those which are remarkable in terms of their richness, abundance, rarity and/or sensitivity, and/or the delivery of Ecosystem Services and products. However, considering that many areas of international importance for biodiversity lie outside of designated Protected Areas, ensuring the health of our planet requires action in all locations, not only in areas with international importance for biodiversity.

The IUCN Red List of Ecosystems and of species indicate to what level an ecosystem or species is threatened.

For a Business, opportunities for creating positive biodiversity outcomes and reducing negative impacts are context specific. The assessment and management of biodiversity is important not only for new operations, but also for those that have been operating for many years.

Key Concepts

Area of Influence – Encompasses, as appropriate, areas likely to be affected by: (a) an Entity’s activities and Facilities, and/or impacts from unplanned but predictable developments that may occur later or at a different location, and/or indirect project impacts on biodiversity or on Ecosystem services upon which affected Communities’ livelihoods are dependent.
(b) Associated Facilities, which are facilities not controlled by the Entity but that would not have otherwise been constructed or expanded and without which the Entity’s activities would not be viable, and
(c) cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the Entity’s activities, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted.

Examples for (a) include the project’s sites, the airshed and Watershed, or transport corridors, and indirect impacts include power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, construction camps, and contaminated land (e.g., soil, groundwater, surface water, and sediments).

For (b), examples of Associated Facilities may include ports, dams, railways, roads, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.

For (c), cumulative impacts are typically those impacts which in isolation may be considered small and/or incremental, however over time are recognized as important on the basis of scientific concerns and/or concerns from Affected Communities, as the accrual of these small/incremental impacts leads to a significant impact over time.

Examples of cumulative impacts include: incremental contribution of gaseous emissions to an airshed; reduction of water flows in a Watershed due to multiple withdrawals; increases in sediment loads to a Watershed; interference with migratory routes or wildlife movement; or more traffic congestion and accidents due to increases in vehicular traffic on Community roadways. (Adapted from International Finance Corporation (IFC) Performance Standard 1 – Guidance Notes)

Notes:
- ‘Area of Influence’ is referenced in 7.1 (Water Stewardship), 8.1 (Biodiversity) and 9.5 (Cultural and Sacred Heritage), in relation to the Entity assessing impacts and managing risks in these areas for a given Certification Scope.
- Some activities and related impacts/risks in an Area of Influence may not be under the Control of the Entity. However where required by these Criteria, these impacts and risks shall still be assessed by the Entity and, wherever practicable, mitigation measures and/or controls should be put in place.
- Associated Facilities which are part of an Entity’s Area of Influence but not under the Entity’s Control are not part of the Certification Scope. In other words, the activities and related impacts/risks of Associated Facilities which are not under the Entity’s Control are not factored into determining the Entity’s Conformance.

Alien Species – 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. (Secretariat of the Convention on Biological Diversity, 2002)

Areas of High Biodiversity Value – Areas that are recognized as being important for biodiversity features by a number of governmental and non-governmental organizations. They are typically sites that contribute significantly to the global persistence of biodiversity, in lands, in water or on the seas, and include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the UN ‘Convention on Biological Diversity’). The following are examples of internationally recognized approaches and standards that identify areas of high biodiversity value: Key Biodiversity Areas and High Conservation Value Areas.

Bauxite Mining – Extraction of Bauxite ore from the earth for commercial purposes.
Biodiversity Action Plan – A plan to conserve or enhance biodiversity. (Earthwatch, 2000)

Biodiversity Mitigation Hierarchy – A tool which aims to help manage biodiversity risk, and is commonly applied in Environmental Impact Assessments (EIAs). It includes a hierarchy of steps: Avoidance, Minimisation, Rehabilitation, Restoration and Offset. (Adapted from Business Biodiversity and Offsets Programme (BBOP) & United Nations Environment Programme (UNEP) Finance Initiative, 2010)

Ecosystem Services – The benefits that people, including Businesses, derive from ecosystems. They are organised into four types:

(i) provisioning services, which are the products people obtain from ecosystems;
(ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes;
(iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and
(iv) supporting services, which are the natural processes that maintain the other services. (Adapted from International Finance Corporation (IFC) Guidance Note 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources)

Mine Rehabilitation – The return of disturbed land to a stable and production condition. (International Council on Mining and Metals)

Protected Area – Geographically defined area which is designated or regulated and managed to achieve specific conservation objectives. (Convention on Biological Diversity Article 2)

Qualified Specialist – An individual, who may be either internal or external to the organization, who has specific knowledge or expertise in the relevant subject area and provides evidence-based knowledge and assessment on a relevant topic. Knowledge and expertise may be either through education or on-the-job learning and should be appropriate to the scale and scope of the project.

Watershed – An area of land that drains all the streams and rainfall to a common outlet such as the outflow of a reservoir, mouth of a bay, or any point along a stream channel. The word Watershed is sometimes used interchangeably with drainage basin or catchment. (Adapted from United States Geological Survey (USGS))


Implementation

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.
8.1 Biodiversity and Ecosystem Services Risk and Impact Assessment

The Entity shall:

a. Assess the risk and materiality of the potential impacts on biodiversity and Ecosystem Services from the land use and activities in the Entity’s Area of Influence where the Entity has direct management control and within the Entity’s Area of Influence.

b. In situations where the Entity is likely to adversely impact Ecosystem Services, in Consultation and cooperation with Affected Populations and Organisations, undertake a systematic review to identify Priority Ecosystem Services, of relevance to Affected Populations and Organisations Communities, that may be impacted.

Application:

- This Criterion applies to all Facilities.
- Criterion 8.1(b) is Not Applicable when the risks and potential impacts identified in 8.1(a) are assessed and documented as low.

Points to Consider in Implementing Criterion 8.1:

For 8.1(a):

- Undertake a risk assessment to identify and evaluate the material potential impacts on biodiversity and Ecosystem Services from activities conducted by or within the Area of Influence of the Entity.
  - Area of Influence is related to the associated project impacts, Associated Facilities and cumulative impacts.
    - Consideration of the Entity’s ability to influence impacts attributed to Associated Facilities based on the natural environment needs to be taken into account especially those that exist predominately to support the Entity’s activities.
    - The ability to influence depends on the relationship and arrangement between the Entity and the surrounding areas and/or the owners, operators or managers of the Associated Facilities.
    - For example, impacts (whether direct or indirect) associated with a pipeline, conveyor belt or electrical transmission corridor servicing the Entity’s Facilities will depend on factors such as when the pipeline or transmission line was constructed and for what purpose, and how many other users there are attributed to the pipeline, conveyor or the electrical transmission line. This includes the dependency of the Entity on the Watersheds required to support its operations and the impacts to the Entities activities from the natural environment.
    - Reasonable boundaries, for instance as by being adjacent, immediate or though some other demonstrable substantive connectivity, could also be defined and assumed in regard to the extent of impacts to and from the Watershed and airshed in which the Entity operates.
    - In most instances, small Businesses would not normally be of the scale to have an Area of Influence beyond the areas of their direct activities and Facilities.
  - The process needs to evaluate and define the materiality of risks to biodiversity and Ecosystem Services that require the development of controls and actions to protect threatened species, and their habitat, ecological processes and function, and mitigate any adverse impacts to biodiversity and Ecosystem Service values.

- Before undertaking the risk assessment, ensure that any tool(s) used in the process is compatible with both the geographical and biophysical settings as well as the local framework of Applicable Law.

- For those Entities situated in areas that may be considered as having a low biodiversity value (such as a fabrication plant located within an industrial zone, or is situated in a region that has been heavily disturbed or modified from long-term land use activities), the biodiversity risk assessment process could incorporate as a minimum the following:
  - Identify the Entity’s Area of Influence
An identification of biodiversity features present, or likely to be present within the Entity’s Area of Influence. Features can include all habitats (natural and constructed), species or ecological communities and priority Ecosystem Services, as well as sites of conservation importance.

A review of local Applicable Law relating to biodiversity protection and conservation to determine if any biodiversity feature is deemed as significant. This review could also involve the consultation of the IUCN’s Red List of Threatened Species.

An identification of potential impacts (if any) to these features resulting from the activities of the Entity.

An overall assessment of inherent risk to identified biodiversity features from these risks (using the Entity’s preferred risk assessment methodology). This methodology can be consistent with that used by the Entity for other risk assessment requirements (i.e., environment, health & safety, financial etc.), or using one of the recommended tools as described in this Guidance.

An Entity that has identified a low overall inherent risk to biodiversity and ecosystems services should typically have no direct operational impacts to any significant biodiversity feature or have multiple pre-existing operational controls in place that effectively mitigate any potential impacts to these features.

The IUCN publication Tools for Measuring, Modelling, and Valuing Ecosystem Services can provide guidance for practitioners on existing tools that can be applied to measure or model Ecosystem Services provided by important sites for biodiversity and nature conservation, including (but not limited to) key biodiversity areas, natural World Heritage Properties, Indigenous Peoples and Community Conserved Areas, and Protected Areas. Refer to ‘Ecosystem Services’ in the Glossary Key Concepts for this Section of the Guidance for further context.

Entities may also choose to consult and/or engage with IUCN Specialist Groups, of which there are over 160. Specialist Groups, Red List Authorities and Task Forces. Some groups address conservation issues related to particular groups of plants, fungi or animals while others focus on broader issues such as reintroduction of species into former habitats, climate change, wildlife health and sustainable use and trade.

A mapping exercise will help to identify the occurrence of legally Protected Areas, and those with high biodiversity conservation priority, around areas that are influenced by the Entity’s operations. This exercise should be conducted by Qualified Specialists competent personnel.

The Integrated Biodiversity Assessment Tool (IBAT) is an example of a tool that can be used as a first step to identify the location of relevant key biodiversity areas. It is designed to facilitate access to up-to-date and accurate biodiversity information to support critical Business decisions. It uses a central database for globally recognised biodiversity information including key biodiversity areas and legally Protected Areas. These include:

- The World Database on Protected Areas, including IUCN category I-VI Protected Areas and marine Protected Areas I-VI
- IUCN category I-IV protected areas and marine protected areas I-V
- World Heritage Sites & Nominated World Heritage Sites
- Ramsar Sites (wetlands)
- Core areas of UNESCO biosphere reserves
- High Conservation Value Areas (HCVA)
- Key Biodiversity Areas

Databases maintained by organisations such as the IUCN’s Red List of Threatened Species can be accessed to provide taxonomic, conservation status and distribution information about species that are threatened with extinction. The program evaluates the relative risk of extinction, and catalogues and highlights those plants and animals that are listed as critically endangered, endangered and vulnerable.

National and other regional and local databases maintained by governments and other national institutions could be consulted to identify legally Protected Areas and other nationally locally important areas for biodiversity, as well as aiding collation of data on priority biodiversity. For example, SANBI for South Africa and southern Africa and National Biodiversity Databank (NBDB) in Uganda.

Where applicable, maintain an internal register of legal and other requirements applying to any relevant legally Protected Areas, such as national parks and other conservation areas designated under...
Applicable Law. The register should nominate personnel responsible for Compliance with these requirements. Where there is doubt as to legal restrictions, environmental protection law should be respected during operation and closure activities.

- Where Indigenous Peoples are present in or around the Entity’s Areas of Influence, they should be active participants in the biodiversity assessment. Particular attention should be paid to potential impacts on biodiversity or on Ecosystem Services upon which affected Communities’ livelihoods are dependent. The Akwe Kon Guidelines developed under the Convention for Biological Diversity provide guidance on how to take into account traditional knowledge, innovations and practices as part of such assessments.
  - Note that for a New Project or Major Change to an existing project that has significant biodiversity impacts for Indigenous Peoples, this may trigger the requirement for a Free Prior and Informed Consent (FPIC) process as set out in Criterion 9.4.
  - Biodiversity risk assessments can be carried out for new and existing Facilities, and could be considered as a preliminary screening activity, before a more detailed biodiversity impact assessment is undertaken prior to the commencement of any pre-feasibility activity. If a biodiversity risk assessment has not previously been carried out, it needs to be done to meet this Criterion. Where a biodiversity risk assessment is newly carried out for a Facility that has been in operation for some time, it is acknowledged that controls to mitigate impacts need to factor previous design decisions and opportunities for change may be limited in some situations.
  - Where more detailed, and broader Impact Assessments (see Criteria 2.5 and 2.6) are being undertaken, these should provide more detailed research to identify and assess risks and impacts to Areas of High Biodiversity Value. This may require extensive fieldwork in areas with limited biodiversity information. Issues such as impacts of noise on affected species (such as bats), or effects of in-migration on biodiversity (such as development of a trade in ‘bushmeat’ or endangered species) should be considered where relevant.
  - By undertaking a detailed biodiversity impact assessment prior to the commencement of any construction activities will enable for the appropriate development and implementation of any mitigation measures, as well as provide opportunity for the project planning process to revise construction management plans, mine planning processes or any other proposed activities that have the potential to directly impact biodiversity features and Ecosystem Services.

- An extensive additional guidance for the implementation of this Criterion can be found in the International Finance Corporation (IFC) Performance Standard 6 and Guidance Note 6 on ‘Biodiversity Conservation and Sustainable Management of Living Natural Resources’. Further IFC biodiversity risk assessment information can be found in this document on Biodiversity Business Risks published by the IFC.

### 8.2 Biodiversity Management

The Entity shall:

a. Establish and implement and monitor a Biodiversity Action Plan with time-bound targets to address material risks and impacts to biodiversity and Ecosystem Services, identified through Criterion 8.1, and monitor its effectiveness.

b. Ensure that the Biodiversity Action Plan is developed in Consultation and in cooperation with Affected Populations and Organisations and designed by a Qualified Specialist in accordance with the Biodiversity Mitigation Hierarchy with an ambition to achieve no net loss.

c. Ensure that the Biodiversity Action Plan, associated targets and results of the monitoring programme achieved biodiversity outcomes is be shared with stakeholders Affected Populations and Organisations, made publicly disclosed available, and periodically updated as required.
Application:

- This Criterion applies to all Facilities.
- This Criterion is Not Applicable when the risks and potential impacts identified in 8.1(a) are assessed and documented as low.

Points to Consider in Implementing Criterion 8.2:

For 8.2(a):

- Where the risk assessment in Criterion 8.1 reveals material risks to biodiversity, then a Biodiversity Action Plan will be needed.
  - For new Projects or Major Changes, materiality would usually be determined via an Impact Assessment. Any legally Protected Areas with biodiversity value would be a material consideration. Even developed or industrialised areas may include material biodiversity risks, for example to particular species.
  - For existing operations, consider materiality in both the context of risks and opportunities for biodiversity. This could focus on not just ecosystem considerations, but also regulatory, financial, reputational, or other stakeholder considerations for the company. For example, there may be opportunities to contribute to the UN Sustainable Development Goals through broader action in and beyond the Area of Influence.
- Consider how to integrate the Biodiversity Mitigation Hierarchy in Biodiversity Action Plans for new and existing Facilities. The Biodiversity Mitigation Hierarchy consists of a hierarchy of categories of biodiversity mitigation measures, as follows, in descending order of priority:
  - Avoid impacts by designing or modifying an existing or proposed operation in order to prevent a potential biodiversity impact. For example, where feasible, this could include not proceeding with project development as proposed, or perhaps relocating the project to already degraded areas. Avoidance should be considered before project design as avoiding impacts before they occur is the most effective way of reducing loss of biodiversity (prevention is better than cure). This step should be applied to exploration, construction, operational and closure activities.
  - Minimise impacts by substituting existing decisions or activities with alternatives that are designed to reduce or limit the undesirable impacts of a proposed activity on biodiversity. This step should be applied to exploration, construction, operational and closure activities.
  - 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). A precautionary approach to ecological restoration should be applied, particularly when predicting restoration success as part of residual impact estimates.
  - Offset the biodiversity impact by implementing measures to compensate for affected biodiversity values. The compensatory measure may include a combination of direct offsets, such as actions or resources that provide a commensurate conservation value and other compensatory measures such as research grants or education scholarships. Wherever possible, offset gains should be achieved before impacts occur. If offset gains may take time to achieve, offsets should be initiated with dedicated financing before impacts occur. The IUCN Policy on Biodiversity Offsets provides for reference, a framework to guide the design, implementation and governance of biodiversity offset schemes and projects. Offsets should only be considered as a last resort after the three earlier stages of the mitigation hierarchy have been applied. They are often difficult to manage and require long-term investment (unlike avoidance and minimisation).
- Additional conservation actions are 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 Biodiversity Mitigation Hierarchy (as discussed above), 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 Affected Populations and Organisations to engage with biodiversity offset implementation.

- Documented Biodiversity Action Plans to mitigate material biodiversity impacts and establish time-bound targets to result in no net loss and ideally deliver biodiversity benefits.

- Ensure that there are sufficient financial and human resources to implement the plan and monitor its effectiveness. Consider the need for long-term budgets to deliver positive impacts, relevant biodiversity expertise, as well as resources that may be required for consultative processes and monitoring during implementation.

- The Biodiversity Action Plan could include specific details on the following:
  - Financial resourcing, including the specification of assigned accountabilities for implementation and supervision plus any specialist expertise required for the implementation and/or monitoring of specific actions.
  - Regular, ongoing consultation with Affected Populations and Organisations is ongoing and formalised in the Biodiversity Action Plan (e.g. as an action or a series of specific actions).
  - A communications document (summarising action implementation and monitoring results) could also be used as part of the consultative process. The IFC Good Practice Handbook for Stakeholder Engagement provides detailed guidance on essential steps for managing relationships with Affected Populations and Organisations in a dynamic context.

- Ensure that the Biodiversity Action Plan is integrated (where relevant) into the Entity’s Mine Rehabilitation and closure plan (see Criterion 8.7) as synergies exist between both plans in terms of action, implementation, resourcing and scheduling, monitoring and evaluation, and Affected Population and Organisation engagement activities.

- ‘No net loss’ is a term used to define the situation where impacts on biodiversity are balanced by measures taken to avoid and minimize the impacts, implement site restoration and finally to offset significant residual impacts, if any, on an appropriate geographic scale. Biodiversity benefits could include:
  - Improving existing or creating new habitats for species impacted by the Entity’s activities, or ecological communities
  - Reducing threats to species, their habitat, and ecological communities
  - Averting the loss of a species or its habitat by securing its future use for conservation purposes
  - Offsetting the partial loss of a species, its habitat and/or ecological community in a particular area, through the enhancement of these features in a different area.

For 8.2(b):
- Consider how to integrate an effective Consultative process with stakeholders Affected Populations and Organisations in the development, implementation and/or review of Biodiversity Action Plans. Relevant stakeholders may include Indigenous and Affected Communities (including representatives of both women and men), regulators, civil society organisations, research organisations, other business initiatives, and value chain partners.

For 8.2(c):
- Monitor implementation and effectiveness of the plan. Regular reviews of Biodiversity Action Plans will enable them to be updated in light of new information on biodiversity risks and an evaluation of progress on desired targets and outcomes.

- Ensure that there are sufficient financial and human resources to implement the plan and monitor its effectiveness. Consider the need for long-term budgets to deliver positive impacts, relevant biodiversity expertise, as well as resources that may be required for consultative processes and monitoring during implementation.

- Regular reporting on outcomes from Biodiversity Action Plans can be shared through annual reporting and on the company website. Also consider how to engage more directly with Affected stakeholders Populations and Organisations to effectively communicate and discuss progress.

- Smaller companies can choose to provide information on biodiversity outcomes on request.
The IUCN Guidelines for Planning and Monitoring Corporate Biodiversity Performance (2020) provides guidance for the reporting of biodiversity performance, through a series of simple, practical steps to plan biodiversity goals, choose and apply appropriate biodiversity indicators, and to collect, present, and analyse data in a way that facilitates results-based management and corporate biodiversity reporting.

### 8.3 Management of Ecosystem Services

The Entity shall:

- a. Where an Entity depends on Priority Ecosystem Services, implement measures that increase resource efficiency of operations.
- b. Where Priority Ecosystem Services of relevance to Affected Populations and Organisations are identified through Criterion 8.1b, and the source of impacts are under the Entity’s direct management Control, use the Biodiversity Mitigation Hierarchy to maintain the access to, value and functionality of such Ecosystem Services.
- c. Where Priority Ecosystem Services of relevance to Affected Populations and Organisations are identified through Criterion 8.1b, and the source of impacts are not under the Entity’s direct management Control: the Entity shall work with other parties or within their scope of influence to mitigate impacts to Priority Ecosystem Services.

**Application:**

- This Criterion applies to all Facilities.
- This Criterion is Not Applicable when no Priority Ecosystem Services are identified in 8.1(b).

**Points to Consider in Implementing Criterion 8.3:**

- Priority Ecosystem Services are two-fold:
  - Those services on which operations are most likely to have an impact and, therefore, which result in adverse impacts to Affected Populations and Organisations
  - And/or those services on which the Entity is directly dependent for its operations (e.g., water). High quality in-situ stores of carbon such as peatlands is one example of a priority ecosystem service.
- Ecosystem Services are provided at local, regional and global scales. Water provision from natural areas is an example of a regional Ecosystem Service, whilst a local insect population and its pollination activity would be considered as a local Ecosystem Service. Determination of these local Ecosystem Services would typically require consultation with local Affected Populations and Organisations.

### 8.3.4 Alien Species

The Entity shall proactively prevent accidental or deliberate introduction of Alien Species that could have material significant adverse impacts on biodiversity and Ecosystem Services.

**Application:**

- This Criterion applies to all Facilities.

**Points to Consider in Implementing Criterion 8.3.4:**

- Alien species can be evaluated using the Global Invasive Species Database (GISD), as well as local and National databases where available. The GISD focuses on invasive Alien Species that threaten native biodiversity and natural ecosystems and covers all taxonomic groups from micro-organisms to animals and plants in all ecosystems. The consultation of local and national databases is preferable (wherever available), as they are likely to be more accurate and up-to-date, and invariably provide locally-developed mitigation actions and plans for specific species of concern.
- An alien species should be considered as any species, including its seeds, eggs, spores, or other biological material (including pathogens) capable of propagating that species, that is not native to that ecosystem.
- Assess the risks and put in place controls for the accidental introduction of Alien Species through the company’s activities and operations. Consider the following potential vectors and pathways:
- Transport: ships can carry aquatic organisms in their ballast water; trucks can carry weeds through sediment on tyres [Further information: International Maritime Organization (IMO) Ballast Water Management].
- Wood products: insects can get into wood, shipping palettes, crates and packing material that are shipped around the world.
- Ornamental plants: some ornamental plants in gardens can escape into the wild and become invasive.

Where Alien Species are present in an area under the Control of an Entity, that could have significant adverse impacts on biodiversity and/or Ecosystem Services, identify and implement measures to prevent spreading of the species. In some situations, an eradication programme may be more appropriate which could consider a coordinated approach that engages other adjacent landowners to ensure that spread of Alien Species does not occur from non-managed lands onto managed land.

If considering the deliberate introduction of Alien Species within an area under the Entity’s Control, an environmental Impact Assessment should demonstrate that such species do not have negative impacts on local ecosystems and biodiversity. The deliberate introduction of an Alien Species should only be considered if no viable local species are available.

**8.48.5 Commitment to “No Go” in World Heritage Properties**

The Entity shall:
- Not explore or develop New Projects or make Major Changes in World Heritage Properties.
- Take all possible steps 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.

**Application:**
- This Criterion applies to all Facilities.

**Background:**
- This Criterion aligns with the ICMM Mining and Protected Areas Position Statement (2003).

**Points to consider in implementing this Criterion:**
- This criterion applies only to Entities engaged in Bauxite Mining as defined in the certification scope.
- The Entity should consider developing Policy documentation that prohibits exploration or development of New Projects New Bauxite Mines in World Heritage Properties. Facilities may have been in operation before World Heritage status has been designated. In other cases, current or future operations may be located adjacent to World Heritage Properties. This may also apply to significant expansion of existing mining operations, mining operations but only where the Entity has acquired new mining rights into World Heritage Properties. However, Criterion 8.5a does not apply to routine expansion, renewal or reapplication for an existing mining leasehold or arrangement with government authorities responsible for issuing mining leases.
- For New Projects and Major Changes, the Entity shall consider conducting an Impact Assessment (as per Criterion 2.5 – Environmental and Social Impact Assessment) and establish controls to ensure activities will not negatively impact on World Heritage Properties.
- The Entity should consider undertaking a review of the properties on the proposed World Heritage list to confirm whether any existing or planned activities are in or adjacent to World Heritage Properties listed on the proposed World Heritage list.
- The Entity should consider undertaking When assessing the applicability of this Criterion, a review of the properties on the proposed World Heritage list to confirm whether any existing or planned activities are in or adjacent to World Heritage Properties listed on the proposed World Heritage list could be undertaken as the initial step.
• Confirm whether any existing or planned activities are in or adjacent to World Heritage Properties listed on the proposed World Heritage list:
  ‘Adjacent’ means that mining operations are connected geographically to the World Heritage Property either by borders, mine transit roads, or upstream waterways.
  As one example, in dry environments and conditions, dust emissions from mining operations may be blown into Protected Areas.

• Outstanding universal value is defined by the World Heritage Convention and the meaning broadly follows interpretation of the words:
  Outstanding: For properties to be of outstanding universal value they should be exceptional, or superlative – they should be the most remarkable places on earth
  Universal: Properties need to be outstanding from a global perspective. World heritage does not aim to recognise properties that are remarkable from solely a national or regional perspective
  Value: What makes a property outstanding and universal is its “value”, or the natural and/or cultural worth of a property. This value is determined based on standards and processes established under the World Heritage Convention's Operational Guidelines.

• In a few cases, Facilities have been in operation before World Heritage status is designated. In other cases, current or future operations may be located adjacent to World Heritage Properties.
  Ensure an Impact Assessment, as set out in Criterion 2.5 (Environmental and Social Impact Assessment), is conducted and controls are established to ensure activities will not negatively impact on World Heritage Properties.

• Consideration should also be given to the Guidance provided for the Protected Areas criterion (8.6).

8.6 Protected Areas
The Entity shall:
a. Have a process to identify Protected Areas,
b. Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas.

Where engaged in Bauxite Mining:
c. Not explore or mine in the Protected Areas identified in 8.6a unless:
   i. An independent third-party assessment, conducted by an external Qualified Specialist(s) shared with Affected Populations and Organisations, publicly disclosed, and updated as required, conducted by a Qualified Specialist(s) that identifies that the mining and Associated Facilities are consistent with the management objectives of the Protected Area.
   ii. And where Indigenous Peoples and affected Communities exist, engagement with Indigenous Peoples and affected Communities they have given their Free, Prior and Informed Consent.
   iii. Or where unique legal circumstances apply, including:
       a. Where an existing license requires that the full resources be extracted by the Entity or
       b. There is a mining permit and if the permit is not fulfilled it will be given to another company

   Where the conditions of i and ii are also met.

d. Ensure that decisions to proceed with exploration, development, operation and closure activities address the presence of, and potential impact on values of, Protected Areas; and/or declarations of Indigenous traditional owners; and the outcomes recorded.

This Criterion applies to existing and new operations.

Application:
This Criterion applies to all Facilities.

**Points to Consider in Implementing Criterion 8.6:**

- Protected Areas are defined in Article 2 of the Convention on Biological Diversity (CBD) as ‘a geographically defined area which is designated or regulated and managed to achieve specific conservation objectives’.
- All parties to the CBD have agreed to report their Protected Areas to the World Database on Protected Areas (WDPA). The Standards for the WDPA are defined by the IUCN. The WDPA references the fact that both the CBD and IUCN definitions are considered as equivalent in defining Protected Areas. Consideration should also be given to the Guidance provided for the Commitment to “No Go” in World Heritage properties (see Criterion 8.5).
- The WDPA uses nationally defined protected area data which meet the IUCN CBD definition. There is an agreement between the CBD Secretariat and IUCN that both definitions have the same meaning (Lopoukhine and Dias 2012). Although records should not be submitted to the WDPA if they do not meet the IUCN or CBD definition of a protected area, it cannot be guaranteed that data-providers consistently follow this standard. In part, this is because countries often have national definitions of protected areas that may not fully align with the IUCN or CBD definition. It should therefore not be assumed that all records in the WDPA meet the IUCN or CBD definition. However, the majority of these properties are reviewed via discussions with data providers periodically via data updates and tend to be removed before being entered into the WDPA.
- IUCN defined Protected Areas as, “a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with associated Ecosystem Services and cultural values”. Note that there is agreement that the Conservation of Biological Diversity and IUCN definitions have the same meaning (Lopoukhine and Dias 2012). Under the Convention of Biological Diversity, countries have agreed to report Protected Areas to “The World Database on Protected Areas (WDPA)”, jointly managed by UNEP-WCMC and IUCN. This reporting is one of the indicators used to measure progress in implementing Aichi Target 11 and accepts data on Protected Areas as defined by IUCN and Convention on Biological Diversity.
- The Protected Area Categories referred to in this guidance are IUCN management categories (Dudley et al, 2008). All 6 IUCN Protected Areas categories are Protected Areas and fall under the same definition of Protected Areas, in land, freshwater or marine areas. The choice of category is based on the primary management objective stated for each Protected Area, noting the primary purpose of all Protected Areas is the conservation of nature.
- In addition to the 6 IUCN management categories, there are 4 governance types, reflecting the fact that Protected Areas can be governed by government, private, Indigenous Peoples and local Communities or shared governance models. The matrix of Protected Area management categories and governance types is listed in Figure 1, illustrating the wide variety of potential Protected Areas, but all falling under the common definition and with the purpose of nature conservation.
- Consideration should also be given to the Guidance provided for the Commitment to “No Go” in World Heritage properties (see Criterion 8.5).
Any independent third-party assessment of potential impacts of a Facility on a Protected Area will be conducted by an independent Qualified Specialist. For this assessment, the Qualified Specialist must be independent from the Entity to be free of real and perceived bias. If there is the presence of critically endangered, endangered or vulnerable species, recognized species specialists should be involved (for example, including individuals from IUCN Species Survival Commission Specialist Groups). IUCN’s World Commission on Protected Areas (WCPA) is the world’s premier network of Protected Area expertise, with over 2,500 members, spanning 140 countries. The WCPA can provide independent assessments as required.

For 8.6 (a):
- Most Protected Areas can be identified through the Integrated Biodiversity Assessment Tool (IBAT) discussed earlier in Criterion 8.1. As of July 2021, IBAT maintains a directory of Protected Areas across 153 different countries and territories. ASI regularly liaises with IBAT to assist in the maintenance of a list of which countries are limited in their reporting. Through IBAT, the following is accessible:

**Figure 1 — IUCN Management Categories**

<table>
<thead>
<tr>
<th>Governance types</th>
<th>A. Governance by government</th>
<th>B. Shared governance</th>
<th>C. Private governance</th>
<th>D. Governance by indigenous peoples and local communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protected area categories</td>
<td>Federally or nationally owned or agency in charge</td>
<td>Sub-nationally or agency in charge</td>
<td>Government-delegated management (e.g., to an NGO)</td>
<td>Transboundary management</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Collaborative forms of pluralist influence</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Joint management (plurist forms of pluralist influence)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Declared and run by individual landowners</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>... by non-profit organizations (e.g., NGOs, universities)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>... by for profit organizations (e.g., corporate owners, cooperatives)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Indigenous people’s protected areas and territories — established and run</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Community conserved area — declared and run by local communities</td>
</tr>
</tbody>
</table>

Table: Protected Area Categories

- Ia. Strict Nature Reserve
- Ib. Wilderness Area
- I. National Park
- III. Natural Monument
- IV. Habitat/Species Management
- V. Protected Landscape/Seascape
- VI. Protected Area with Sustainable Use of Natural Resources
- The World Database on Protected Areas (WDPA). WDPA provides access to Protected Areas based on each area:
  - IUCN Management Category
  - Governance
  - Designation (this category includes National, Natura2000, Regional Seas, Ramsar, World Heritage, MAB)
- The World Database of Key Biodiversity Areas
- The IUCN Red List of Threatened Species

It is to be noted that at times, there may be discrepancies between what is reported in IBAT and local regulatory legal boundaries and/or some instances where IUCN categories may be different from what has been prescribed under relevant Applicable Laws.

Note that there are some jurisdictions/regions not fully covered by IBAT, and that some countries do not list IUCN Management Categories.

The United Nations Environment Programme World Conservation Monitoring Center (UNEP WCMC) may be able to assist Entities in determining the correct response to any discrepancies identified. Entities may also request clarification from IBAT in this instance.

For 8.6 (c):
- Any independent third-party assessment of potential impacts of a Facility on a Protected Area must be conducted by an independent Qualified Specialist. For this assessment, the Qualified Specialist must be independent from the Entity to be free of real and perceived bias. If there is the presence of critically endangered, endangered or vulnerable species, recognized species specialists should be involved (for example, including individuals from IUCN Species Survival Commission Specialist Groups). IUCN’s World Commission on Protected Areas IUCN’s World Commission on Protected Areas (WCPA) is the world’s premier network of Protected Area expertise, with over 2,500 members, spanning 140 countries. The WCPA can provide independent assessments as required.
- For guidance relating to the implementation of Free, Prior and Informed Consent (FPIC), refer to Criterion 9.4 in this document.

8.58.7 Mine Rehabilitation
The Entity, where engaged in Bauxite Mining, shall:

- Establish, maintain, update and implement a Mine Rehabilitation and closure plan.
- Ensure the Mine Rehabilitation and closure plan is developed in Consultation with and in cooperation with Indigenous Peoples, Affected Communities and local eNGOs.
- Progressively Rehabilitate environments disturbed or occupied by Bauxite Mining activities, as soon as practicable, using best available techniques to achieve outcomes agreed through participatory processes in 8.7 (a) and (b), with key stakeholders in the mine-closure planning process.
- Put in place financial provisions to ensure availability of adequate resources to meet Rehabilitation and mine closure requirements.
- Publicly disclose and share with stakeholders Affected Populations and Organisations a data driven annual report on the implementation and effectiveness of the Mine Rehabilitation and Closure Plan.

Application:
This Criterion applies to Bauxite Mining Facilities.

Points to Consider in Implementing Criterion 8.7:
- The following websites and references have further information on Mine Rehabilitation and closure:
For 8.7 (a):

- Rehabilitation refers to the measures undertaken to return land on which mining has taken place to the agreed post-closure uses.
  - In some jurisdictions, the legal requirement is for restoration of the pre-mining land use.
  - In others, the end uses of the land are open to a process of negotiation, either with the regulatory authorities and/or with a broader set of Affected Populations and Organisations stakeholders, which may include Indigenous Peoples and local Communities.
  - In areas with significant biodiversity values, the aspiration should be to restore land use for mining to a future use that takes these values into account, that reinstates these significant biodiversity values as practicably as possible, and ensures that there no net loss, and could, where appropriate, lead to an overall net gain. Ensure that the Mine Rehabilitation and closure plan integrates the Biodiversity Action Plan where relevant.

- Achievable objectives and targets are essential to give the operation a framework on which to base its Rehabilitation program. Consider the following:
  - Relevant Applicable Law
  - Participation of key stakeholders, Affected Populations and Organisations in planning process
  - Indigenous Peoples' rights and interests
  - Biodiversity information
  - Technical limitations
  - Pre-mining land uses and the extent of biodiversity degradation
  - Whether mitigation or enhancement is intended
  - Post-mining land tenure and land uses
  - Integration into whole-of-lease biodiversity management
  - Residual impacts from infrastructure, subsidence, and post-mining land use/s
  - Minimising secondary impacts
  - Other opportunities for biodiversity improvement.

For 8.7 (c):

- Best available techniques include measures that start at the commencement of a mine’s lifecycle through design, development, operation, closure and where relevant, lease relinquishment. The best technique may be the most appropriate way of carrying out Rehabilitation and closure activities for a given location. At a minimum, leading practice techniques should comply with Applicable Law. In those jurisdictions where Applicable Law, legislative requirements and/or legislative enforcement is not commensurate with less than generally accepted practices, and where relevant, consider international standards should be used as the consultative framework. Best practice techniques for Mine Rehabilitation and closure include:
  - Progressive Rehabilitation, wherever possible, as individual mined areas or sites have completed mining activity or are decommissioned and are no longer operational
  - Post-mining land use conditions similar to what existed before or alternative as agreed with the applicable government regulator and affected Communities
  - Consideration of environmental and socio-economic impacts in relation to a particular area in which an operation is located following the mine closure
  - Performance results for post-mined areas and sites should be monitored and incorporated into regular reviews of the Mine Rehabilitation and closure plan.

For 8.5 (d):

- Financial provisions should as a minimum be in accordance with Applicable Law. In the absence of such laws, provisions may be reflected in the corporate accounts, or in the form of bonds, letters of credits, or other financial instruments, or by self-insurance or self-guarantee. Financial mechanisms managed by a Third Party may be appropriate, particularly post-closure.
‘Financial provisions’ does not have a prescriptive legal or accounting meaning. The key objective is that a company has the necessary resources, reflected in some way in their corporate accounts, to meet their liabilities for closure.

Cost estimates for Rehabilitation should be initiated as early as possible and updated regularly. Unless otherwise stipulated by Applicable Law, closure costs should be based on reasonable estimates of actual costs taking into account local conditions and cost structures. Rehabilitation and closure cost estimates should involve probabilistic and/or deterministic estimation techniques to suit the identified risks and associated controls.

For Bauxite Mining, Rehabilitation is usually done progressively which means that relevant resources begin to be spent during the operational life. Rehabilitation and closure cost estimates should thus be regularly updated taking into account progressive Rehabilitation approaches.
C. Social

9. Human Rights

**Principle**
The Entity shall respect and support individual and collective Human Rights affected by its operations. The Entity 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.

**Related Criteria**
2.3 Environmental and Social Management Systems
2.6 Human Rights Impact assessments
**Principle 10 Labour Rights**

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
<th>Applicability of Performance Standard Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.1</td>
</tr>
<tr>
<td>Bauxite Mining</td>
<td></td>
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<tr>
<td>Alumina Refining</td>
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<tr>
<td>Aluminium Smelting</td>
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<tr>
<td>Aluminium Re-melting/Refining</td>
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<td>Casthouses</td>
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<tr>
<td>Semi-Fabrication</td>
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<tr>
<td>Material Conversion (Production and Transformation)</td>
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<tr>
<td>Material Conversion (Industrial Uses)</td>
<td></td>
</tr>
<tr>
<td>Other manufacturing or sale of products containing Aluminium</td>
<td></td>
</tr>
</tbody>
</table>

*Code: Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.*

**Background**

Human Rights are relevant to all Businesses, regardless of size, sector or country operation. The kinds of rights which are regarded as Human Rights include:

- Social, cultural and economic rights, such as the right to participate in cultural activities, the right to food, the right to clean drinking water and sanitation, and the right to education
- Labour rights, such as the right to freedom of association and effective recognition of the right to collective bargaining, and freedom from Forced Labour, Child Labour and Discrimination.
- Civil and political rights, such as the right to life and liberty, freedom of expression and equality before the law.

From a Business perspective, many of these rights are often the underlying rationale for a company’s Policies and Procedures. For example, a company’s health and safety Policy may not use ‘Human Rights’ language, but in effect respects Workers’ right to life, the right to just and favourable conditions of work, and the right to health.

In 2011, the United Nations (UN) released the Guiding Principles on Business and Human Rights, which sets out a “Protect, Respect and Remedy” framework:
- States’ duty to protect against Human Rights abuses by third parties, including Business, through appropriate Policies, regulation and adjudication
- Business’ responsibility to respect Human Rights, which means to act with Due Diligence to avoid infringing on the rights of others and to address adverse impacts that are linked with their activities
- Access by victims to effective remedy, both judicial and non-judicial.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is a detailed framework for responsible supply chain management of minerals from conflict-affected areas. Its objective is to help companies respect Human Rights and avoid contributing to conflict through their mineral sourcing practices, with the Guidance initially designed to address ‘conflict minerals’ and associated Human rights impacts in the Democratic Republic of Congo. The OECD Guidance includes the OECD Council recommendation, an overarching five-step Due Diligence framework, a model mineral supply chain Policy, suggested measures for risk mitigation and indicators for measuring improvement. It also includes two Supplements – a Tin, Tantalum and Tungsten Supplement (3Ts) and a Gold Supplement – tailored to the challenges associated with the structures of the supply chains of those minerals. The third edition of the OECD Guidance was published in April 2016, with the principal update to clarify that the OECD Guidance should now be considered to apply not only to the supply chains of tin, tantalum, tungsten and gold (3TG) covered in the Supplements, but to all minerals.

In October 2019, the London Metal Exchange (LME) introduced new responsible sourcing requirements, underpinned by the OECD Guidance, that apply to its listed brands. The LME’s new rules will apply to all brands listed for good delivery on the LME against physically settled contracts for Aluminium (LME Aluminium, LME Aluminium Alloy, and North American Special Aluminium Alloy Contract (“NASAAC”), as well as other LME metals: cobalt, copper, lead, nickel, tin and zinc. ASI committed to further align its Standards with the OECD Guidance to support implementation of LME’s rules, and to be independently assessed for alignment via an OECD assessment tool. With the increased application of the OECD Guidance beyond the initially designated ‘conflict minerals’ (3TG), enhanced alignment of ASI Certification with the OECD framework supports not only LME listed brands, but also other ASI Members to meet stakeholder expectations on mineral supply chain Due Diligence. ASI’s approach is anchored in the overarching OECD five-step framework, with additional guidance and supporting definitions drawn from the Gold and 3Ts Supplements as appropriate, and from other implementing programs for the supply chains of gold and non-3TG minerals, particularly the Responsible Jewellery Council.

Key Concepts

Area of Influence – Encompasses, as appropriate, areas likely to be affected by:

(a) an Entity’s activities and facilities, and/or impacts from unplanned but predictable developments that may occur later or at a different location, and/or indirect project impacts on biodiversity or on Ecosystem Services upon which affected communities’ livelihoods are dependent.
(b) Associated Facilities, which are facilities not controlled by the Entity but that would not have otherwise been constructed or expanded and without which the Entity’s activities would not be viable.
(c) cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the Entity’s activities, from other existing, planned or reasonably defined developments at the time the risks and impacts identification process is conducted.

Examples for (a) include the project’s sites, the airshed and Watershed, or transport corridors, and indirect impacts include power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow
and disposal areas, construction camps, and contaminated land (e.g., soil, groundwater, surface water, and sediments).

For (b), examples of Associated Facilities may include ports, dams, railways, roads, captive power plants or transmission lines, pipelines, utilities, warehouses, and logistics terminals.

For (c), cumulative impacts are typically those impacts which in isolation may be considered small and/or incremental, however over time are recognized as important on the basis of scientific concerns and/or concerns from Affected Populations and Organisations, as the accrual of these small/incremental impacts leads to a significant impact/s over time.

Examples of cumulative impacts include: incremental contribution of gaseous emissions to an airshed, reduction of water flows in a Watershed due to multiple withdrawals, increases in sediment loads to a Watershed, interference with migratory routes or wildlife movement, or more traffic congestion and accidents due to increases in vehicular traffic on Community roadways. (Adapted from International Finance Corporation (IFC) Performance Standard 1 – Guidance Notes)

Notes:
- ‘Area of Influence’ is referenced in 7.1 (Water Stewardship), 8.1 (Biodiversity) and 9.5 (Cultural and Sacred Heritage), in relation to the Entity assessing impacts and managing risks in these areas for a given Certification Scope.
- Some activities and related impacts/risks in an Area of Influence may not be under the Control of the Entity. However where required by the Criterion, these impacts and risks shall still be assessed by the Entity and, wherever practicable, mitigation measures and/or controls should be put in place.
- Associated Facilities which are part of an Entity’s Area of Influence but not under the Entity’s Control are not part of the Certification Scope. In other words, the activities and related impacts/risks of associated Facilities which are not under the Entity’s Control are not factored into determining the Entity’s conformance.

Community – A term generally applied to any people or communities located in an operation’s or project’s geographical proximity, particularly those subject to actual or potential direct project-related risks and/or adverse impacts on their physical environment, health or livelihoods. Additionally, it often refers to a group of people or families who live in a particular locality, sometimes share a common interest (water users associations, fishers, herders, grazers, and the like), often have common cultural and historical heritage and have different degrees of cohesiveness. (Adapted from IFC Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts – Guidance Note)

Conflict Affected and High-Risk Areas (CAHRAs) – Areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, or civil wars. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses as defined in paragraph 1 of Annex II of the OECD Due Diligence Guidance. These are: any forms of torture, cruel, inhuman and degrading treatment; any forms of forced or compulsory labour; the worst forms of child labour; other gross Human Rights violations and abuses such as widespread sexual violence, or war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide. Such areas are often characterised by political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence and violations of national or international law. (Adapted from , 3rd ed 2016).
Discrimination – Where people are treated differently because of certain characteristics – such as race, ethnicity, caste, national origin, disability, gender, sexual orientation, Labour Union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status or age or any other applicable prohibited basis – which results in the impairment of equality of opportunity and treatment. (Adapted from)

Free Prior and Informed Consent (FPIC) – Given the diversity of Indigenous Peoples’ histories and contemporary realities, as well as their broad range of institutions and decision-making practices, a one-size-fits-all formulation of FPIC is not possible. As has been elaborated on by UN bodies addressing Indigenous Peoples’ rights, there are a number of overarching principles which are embodied in the four component parts of the requirement for FPIC.

- “Free” implies consent is sought in the absence of any actual or perceived coercion, intimidation or manipulation and Indigenous Peoples can determine the format of the Consultations. Free also reflects the fact that participating in consultations aimed at obtaining their FPIC is a self-determination right of Indigenous Peoples, rather than an obligation which they must meet.
- “Prior” implies consent is sought sufficiently in advance of any decisions or actions which may impact on Indigenous Peoples’ enjoyment of their rights and that Indigenous Peoples have the time they need to make their decisions in accordance with their own processes and through their own freely chosen representatives and institutions;
- “Informed” implies that there is full disclosure of all the information Indigenous Peoples need in order to meaningfully assess the potential risks and benefits of the project (including its location, duration, scope, impacts, benefits and/or partnership models). This information has to be provided in a format understandable to, and through a process agreed by, the concerned Indigenous Peoples. This may involve participation in, or Indigenous Peoples conduct of, Impact Assessments, access to funding for independent technical and legal advice, and negotiations in relation to benefits.
- “Consent” implies respect by all parties, irrespective of the outcome, for the freely taken informed autonomous decision of Indigenous Peoples. This decision should be the outcome of good faith rights-based Consultations and cooperation with the concerned Indigenous Peoples. It should be taken by them in accordance with Procedures and timeframes of their own choosing and be premised on Indigenous rights-based principles of self-determination, inclusivity, consensus, harmony and intergenerational well-being. (Adapted from, 2015 – developed through the ASI Indigenous Peoples Advisory Forum).

Human Rights – Universal rights and freedoms regarding as belonging to all people without Discrimination based on internationally recognised standards. At a minimum, these include rights articulated in the International Bill of Human Rights, the ILO Declaration of Fundamental Principles and Rights at Work and Applicable Law. (Adapted from UN Office of the High Commissioner on Human Rights)

Human Rights Due Diligence – An ongoing management process that a reasonable and prudent enterprise needs to undertake, in the lights of its circumstances (including sector, operating context, size and similar factors) to meet its responsibility to respect Human Rights. (Adapted from The Corporate Responsibility to Respect Human Rights: An Interpretive Guide (UN, 2012))

Indigenous Peoples – Considering the diversity of Indigenous Peoples, an official definition of “Indigenous” has not been adopted by any UN system body. Instead the UN has developed a modern understanding of the term based on the following:

- Self-identification as Indigenous Peoples at the individual level and accepted by the community as their member;
- Historical continuity with pre-colonial and/or pre-settler society;
- Strong link to territories and surrounding natural resources.
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- From non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

(Adapted from the UN Permanent Forum on Indigenous Issues)

IFC – International Finance Corporation. The IFC is a member of the World Bank Group and the largest global development institution focused on the private sector in developing countries. (Adapted from International Finance Corporation)

Organisation for Economic Co-operation and Development (OECD) An intergovernmental economic organisation founded in 1961 to stimulate economic progress and world trade. It has 36 member countries plus Key Partners including Brazil, India and China. (Adapted from OECD)

Resettlement Action Plan – A plan that is developed to cover, at minimum, the applicable requirements of IFC Performance Standard 5, regardless of the number of people affected and including compensation at full replacement cost for land and other assets lost. The Plan is designed to mitigate the negative impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons. Particular attention is paid to the needs of the poor and the Vulnerable or At-Risk. (Adapted from 2012)

Implementation

The 'Implementation' section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

9.1 Human Rights Due Diligence

The Entity shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways appropriate to their size and circumstances, including as a minimum:


b. A gender-responsive Human Rights Due Diligence process that is developed in Consultation and in cooperation with Affected Populations and Organisations, monitored and periodically updated to accommodate shifting Human Rights conditions and seeks to identify, prevent, mitigate and account for how it addresses its actual and potential impacts on Human Rights, including any material significant Legacy Impacts for the Entities own operations and for products or services provided through business relationships.

c. A mapping of Affected Populations and Organisations. The Entity shall ensure Affected Populations and Organisations are:

i. Engaged by the Entity

ii. Consulted about operational activities and potential significant Human Rights impacts and informed of the operation’s Complaints Resolution Mechanism.

b-d. Where the Entity identifies, through Due Diligence and/or grievances, as having caused or contributed to adverse Human Rights impacts, it shall provide for or cooperate in their remediation through legitimate processes.

Application:

- The Criterion applies to all Facilities.
Where Indigenous Peoples are involved, FPIC (Criterion 9.4) may apply.

**Background:**
- The UN Guiding Principles on Business and Human Rights have become the primary reference for the private sector’s responsibility to respect Human Rights. The Guiding Principles define respecting Human Rights as:
  - Avoid causing or contributing to (e.g., causing in part) adverse Human Rights impacts through your own activities, and address such impacts where they occur
  - Seeking to prevent or mitigate adverse Human Rights impacts that are directly linked to your operations, Products or services by your Business relationships, even if you have not contributed to those impacts.

**Points to Consider in Implementing Criterion 9.1:**
- A Policy commitment to respect Human Rights can be a stand-alone Policy or integrated in the approach taken for Criterion 2.1 on Environmental, Social and Governance Policy. It should be informed by internal and/or external expertise, where appropriate.
- The Human Rights Due Diligence process that is articulated in the Guiding Principles is based on largely familiar risk management practices often used in Business. However, its application to Human Rights and Business relationships usually takes time to implement in companies. ASI Members and Auditors should take into account the need for systems to be established and evolved over successive years as part of a continual improvement process. Key points to note include:
  - While risk Management Systems usually focus on identifying and managing material risks to the company itself, Human Rights Due Diligence must also assess risks and impacts to Affected Populations and Organisations rights-holders – such as customers, employees, suppliers, communities, Indigenous Peoples and other stakeholders.
  - ‘Human Rights risks’ are understood to be potential adverse Human Rights impacts, which should be addressed through prevention or mitigation. Actual impacts are those that have already occurred and should be subject to remediation.
- Human Rights Due Diligence:
  - Should cover adverse Human Rights impacts that your Entity may cause or contribute to through your own activities.
  - Should seek to address adverse Human Rights impacts which may be directly linked to your operations, Products, or services by your Business relationships.
  - Will vary in complexity with the size of your Business, the risk of severe Human Rights impacts, and the nature and context of your operations.
- Should be regularly updated, for example when starting a new activity or Business relationship, recognising that Human Rights risks may change over time.
- Focus on the most severe Human Rights risk areas, based on scale, scope and irremediable character. These could include (but may not be restricted to): health and safety, security and Human Rights issues, Human Trafficking and Forced Labour, Freedom of Association, Discrimination, Migrant Worker status and equality, working hours, or Indigenous Peoples.
- It might not be feasible or practical to assess every single supply chain risk or the Human Rights record of every organisation with which you have a relationship. Where it is necessary to prioritise, try to prevent and mitigate the most severe risk/s.
  - Look at region, types of production or service processes, Worker demographics etc. to help with prioritisation.
  - Consider whether your purchasing practices might impact your suppliers, for example by setting lead times, pricing or seasonality of orders. If some action of yours impels a Business partner to cause an adverse impact, you have “contributed” to that impact.
  - However simply having a Business relationship with an organisation does not mean you have “contributed” to any or all adverse impacts that they may cause. If you find you are at risk of
involvement in an adverse impact solely because it is linked to you via Business relationship, you do not have responsibility for the impact itself: that responsibility lies with the organisation that caused or contributed to it. Your Business relationship may, however, create leverage that you can potentially use to seek to prevent or mitigate future adverse impacts.

- Once risks are assessed, the Due Diligence process includes integrating your risk assessment into Business operations, and tracking and communicating your impacts.

For 9.1(b):

- In situations where Consultation is not possible, business enterprises should consider reasonable alternatives such as consulting credible, independent expert resources, including Human Rights defenders and others from civil society.
- Entities are expected to err on the side of direct communication. Situations where it may not be possible to directly consult with Affected Populations and Organisations would be where, for instance, there is a threat to life if consultations were to occur. ‘Not economically viable’ is not considered a reasonable validation for not consulting directly with Affected Populations and Organisations.
- Where the company has caused or contributed to an adverse Human Rights impact, a remediation process should be established, based on the severity of the identified impact.

  o Develop a time-bound remediation plan developed through consultation with the affected Rightsholders, including any Vulnerable or At-Risk groups.
  o Forms of remediation include acknowledgement and apology, undertaking steps to ensure the harm cannot recur, compensation (financial or other) for the harm, ceasing the activity or relationship, or some other form of remedy agreed by the parties.
  o Where Indigenous Peoples are present, the Entity should ensure that remediation mechanisms and measures are culturally appropriate and consistent with FPIC principles (see Criterion 9.4). This may include acts to remedy harm through traditional means under Indigenous Peoples’ customary activities.
  o Where Indigenous Peoples are present, the Entity should ensure that remediation mechanisms and measures are culturally appropriate and consistent with FPIC principles (see Criterion 9.4). This may include acts to remedy harm through traditional means under Indigenous Peoples’ customary activities.
  o Effective Complaints Resolution Mechanisms enable any party to raise concerns about adverse Human Rights impacts and have these addressed early and remediated directly. See also Criterion 3.4 on Stakeholder Complaints, Grievances and Requests for Information which sets out requirements and guidance for company-level or operational-level complaints mechanisms. ASI also operates a Complaints Mechanism, and more information is available on the ASI website.

Points to Consider in Auditing Criterion 9.1:

- The Human Rights Due Diligence process that is articulated in the Guiding Principles is based on largely familiar risk management practices often used in Business. However, its application to Human Rights and Business relationships usually takes time to implement in companies. ASI Members and Auditors should take into account the need for systems to be established and evolved over successive years as part of a continual improvement process. Key points to note include:
  o While risk Management Systems usually focus on identifying and managing material risks to the company itself, Human Rights Due Diligence must also assess risks and impacts to Affected Populations and Organisations.
  o ‘Human Rights risks’ are understood to be potential adverse Human Rights impacts, which should be addressed through prevention or mitigation. Actual impacts are those that have already occurred and should be subject to remediation.
9.2 Gender Equity and Women’s Empowerment

Women’s Rights

The Entity shall:

a. Implement a program which promotes gender equity and women’s empowerment in employment practices, training opportunities, awarding of contracts, processes of engagement and management activities. The program shall minimally address barriers to professional development, Discrimination, and Harassment.

b. Regularly review and publicly disclose the effectiveness of the measures taken to promote gender equity and, where required, identify and implement improvements.

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

Application:

- The Criterion applies to all Facilities.

Background:

- Gender equity is not only a fundamental Human Right, but a necessary foundation for a sustainable world.
- Data shows that operations with more women in decision-making roles and positions of power see lower accident rates, higher Worker satisfaction and better economic returns. To reap these benefits, operators need to evaluate their workforce gender equity data and then work to close gender gaps in the workplace.

Points to Consider in Implementing Criterion 9.2:

- “Women” is a term rooted in self-identification rather than reproductive anatomy. The Standard expects women, men and individuals who reject binary gender categorizations receive equal protections and opportunities by the Entity.
- Harassment is sexual, physical or verbal Harassment or any other types of activity which create an intimidating, hostile or offensive work environment.
- Additional information on developing a program that promotes gender equity and women’s empowerment can be found at the UN Global Compact: Women’s Empowerment Principles.
- Additional guidance for gender-based violence and sexual Harassment from the ILO International Training Centre.
- Additional Standards and frameworks that are now used by companies, including EDGE Certified, that could be listed here. The W+ Standard can be used for women’s empowerment along the supply chain (external to the organization).
- Additional information on measuring the impact of gender equity and women’s empowerment programs can be found in the BSR Making Women Count Report and Toolkit.
- For more guidance on promoting gender equity in your Business, consult available references such as the Women’s Empowerment Principles (UN Global Compact / UN Women) and the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which is applicable to nation states.

For 9.2(a):

- When developing a program that promotes gender equity and women’s empowerment some points to consider include:
  - Consider conducting a gender audit of your organisation
  - Ensure all Workers are paid directly and using mutually agreed methods (e.g. direct bank transfer, direct payments for school fees, etc.) to ensure they safely receive and retain their wages. Developing alternate payment methods to ensure safety of women Workers, such as direct payments for school fees
  - Ensure paternity leave is available and there is no penalty for taking it. Men should be encouraged to take paternity leave.
Providing flexible working Policies and practices for parents such as flexible hours, job-sharing and home-working around school times

Providing alternate assignments without wage reduction when pregnancy requires a less physically demanding job assignment

Ensure that pregnant and nursing women do not perform work that may compromise the health of the mother or the child. This includes working during night hours

Providing facilities for pregnant and breast-feeding women and day care facilities for pre-school age children

Appointing a committee that is responsible for the implementation, monitoring, and evaluation of measures that promote gender equity and women’s empowerment. Management can choose to appoint a responsible person instead of a committee, except in the case of large organisations.

Barriers to Professional Development

Ensure job opportunities are open to both women and men and individuals who reject binary gender categorizations, under the same conditions, and women are encouraged to participate actively in all levels of employment. Where there are discrepancies in the level of participation of men versus at women in different levels of the organization an investigation into the root cause should be undertaken.

Ensure maternity leave is no less than an eight-week period after childbirth with compensation consistent with Applicable Laws or not less than 2/3 regular pay, whichever is higher, not including annual leave and not incurring any loss or privilege on account of such leave.

Ensure meetings, management committees and decision-making forums are organised to include both women and men, and to facilitate the active participation of both.

Discrimination

Ensure the company has in place robust Policies preventing Discrimination and sexual Harassment.

Ensure all line managers and supervisors are aware of company Policies on Discrimination and sexual Harassment and if necessary, undertake additional training.

Ensure confidential and effective mechanisms exist for reporting and eliminating cases of Discrimination based on gender, marital status, pregnancy, parenthood or sexual orientation.

Ensure that women and men are paid the same wage when they do equivalent work.

Actively encourage and incentivise women to seek work traditionally considered men’s work.

Prohibit company mandated pregnancy testing during recruitment or post hiring.

Review company training opportunities to assess uptake and if necessary, address barriers to participation.

Providing programs that assist women to secure employment at all levels of the organization, including mentoring and leadership training.

Visibly posted signs depicting culturally relevant cases of Harassment and describing how victims can seek redress.

Investigation protocols that do not require Third Party verification of the particular allegation (the occurrences generally have no witnesses, and victims can face retaliation from perpetrators for complaining) but that review workplace conditions to determine whether such allegations could be true, followed by changes in workplace conditions to address the risks and public pronouncements of changes.

Ensure women are represented on Worker representative committees (including those elected), grievance panels etc.

Harassment

Ensure confidential and effective mechanisms exist for reporting and eliminating cases of sexual Harassment.
o Develop written Procedures defining and addressing direct and indirect Harassment, as well as Harassment that can occur outside the workplace.

o The Policies and Procedures for addressing gender-based violence should focus on helping victims, preventing any further harm to them and having disciplinary measures for perpetrators. That includes disallowing retaliation against victims and giving victims flexibility in their ability to take leave or other related benefits that help safeguard them.

o To effectively address gender-based violence, your Policy should also respect the confidentiality of the situation; defer to the victim’s assessments of safety wherever reasonably possible; and actively promote prevention and awareness training.

o Prevent workplace Harassment and abuse. Below are some examples of workplace Harassment and abuse; all are considered unacceptable behaviours:
  - ‘Staring’ or standing too close to the opposite sex
  - Inappropriately touching hands, arms or hair
  - A man intentionally brushing up next to a woman in a queue
  - A man touching a woman’s breasts
  - Making inappropriate comments about a woman’s or man’s appearance, body or sexual habits
  - Asking for sexual favours in return for something (for example, Overtime or job security)
  - Forced kissing or fondling
  - Coercive sex (rape)
  - Using sexually explicit language
  - Abusive name-calling (for example, ‘prostitute’ or ‘slut’)
  - Verbal abuse or use of foul language
  - Shouting, with the intent to demean, bully or intimidate
  - Pushing, pulling, hitting or shoving someone of the opposite sex
  - Pulling hair
  - Slapping, pinching, pricking with pins
  - Displaying sexually explicit pictures on the wall
  - Failing to remove offensive graffiti
  - Sending abusive or sexual messages, photographs or images by phone, email or social media.
  (adapted from: ILO International Training Centre, Gender-Based Violence in Global Supply Chains: Resource Kit (2013))

For Criterion 9.2(b):
• When measuring the effectiveness of the program that promotes gender equity and women’s empowerment some metrics to consider:
  o Gender pay gap (which is explained in this article in the Independent).

Barriers to Professional Development
• Discrimination can be benchmarked through a variety of indicators including:
  ▪ Percentage of senior leadership that is female/minority
  ▪ Percentage of governing body female/minority
  ▪ Percentage of non-clerical jobs held by women.

Discrimination:
• Discrimination can be benchmarked through a variety of indicators including:
  ▪ Percentage of workforce female
  ▪ Percentage of total wages paid to women
  ▪ Male to female salary ratio (which can be disaggregated by Worker category in large workforces)
  ▪ Because women of color and gender minorities experience more Discrimination, data can be further disaggregated to address, for example, the percentage of workforce that are female
racial/ethnic minority and the wage ratio for female racial/ethnic minority versus male racial/ethnic majority.

Harassment:
- Harassment is more difficult to monitor, because victims are often reluctant to report incidents and perpetrators may not be aware of the impacts of their actions. Indicators of an effective approach to Harassment include:
  - Proportion of the workforce which is aware of the Entity’s Policy on sexual Harassment disaggregated by gender
  - Proportion of the workforce who understand what constitutes sexual Harassment
  - Rate of Workers reporting concerns with sexual Harassment (noting that no reports may indicate the Policy is not well-known or well-understood or that employees don’t feel comfortable using the Policy)
  - Percentage of Harassment grievances successfully addressed to the satisfaction of the reporting Worker.

- Conduct regular reviews of the effectiveness of the measures taken to promote gender equity. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates
  - The degree to which the Code of Conduct is aligned with existing Business practices
  - Changes within the company or external to the Business which would impact the Business resilience plan
  - Alignment with legal requirements

- Following a review, improvements should be identified and implemented where required. Where required, could include when the Code of Conduct has been found to:
  - Not be fully effective in meeting its objectives
  - Not meeting stakeholder expectations
  - Not aligned with leading practices
  - Not meeting legislative requirements

- Women’s rights are human rights. However due to some social structures, traditions, stereotypes and attitudes about women and their role in society, women do not always have the opportunity and ability to access and enforce their rights on the same basis as men.

- The UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) is the key international human rights document that seeks to ensure the enforcement of the human rights of women on an equal basis with men. CEDAW deals with rights including the right to vote and stand for election, right to health, equal rights to education, protection from discrimination in the workplace and equality before the law.

- The human rights due diligence process in 9.1 should specifically address gender and women’s rights in the assessment of human rights risks and impacts. Consider whether the following issues may be relevant:
  - Women being underrepresented in decision-making roles.
  - Women receiving unequal pay for equal work.
  - Any incidents where women have been targets of physical and sexual abuse.
  - Whether women-owned enterprises lack equal opportunity to compete for business opportunities.
  - Indirect impacts, such as changes to traditional roles and livelihoods, fly in fly out work arrangements and their impacts on families.

- Where Indigenous peoples are present, consider the following:
9.3 Indigenous Peoples

The Entity shall:

a. Implement and publicly disclose Policies and processes to ensure respect for the rights and interests of Indigenous Peoples, consistent with international standards, including ILO Convention 169 and UN Declaration on the Rights of Indigenous Peoples.

b. Inform Indigenous Peoples of the relevant ASI Performance Standard requirements.

Application:

- The Criterion applies to all Facilities where the presence of Indigenous Peoples or their lands, territories and resources is identified.

Points to Consider in Implementing Criterion 9.3:

- Where the presence of Indigenous Peoples or their lands, territories and resources is identified:
  - Ensure you are aware of legal and customary rights of Indigenous Peoples that may exist in affected land areas
  - Conduct informed Consultations with potentially affected Indigenous Communities in a culturally appropriate manner
  - Note that a fundamental criterion for identifying Indigenous Peoples is their self-identification as such. Therefore, Indigenous Peoples may include those not explicitly recognized by national governments. (See the glossary definition based on the UN Permanent Forum on Indigenous Issues.)
  - Note the term “presence” of Indigenous Peoples refers not only to the physical presence in the area of operations, but also to Indigenous People in the wider context who have attachments to traditional lands and territories that might be impacted by the company’s operations in the surrounding areas.

- The ASI Indigenous Peoples Advisory Forum has developed the following Guidance on identifying Indigenous Peoples by region.

  Identification of Indigenous Peoples in Latin America

  Most Latin American countries have ratified ILO Convention 169, or its predecessor ILO Convention 107, and many of them were active in the negotiation of the United Nations Declaration on the Rights of Indigenous Peoples. In recent years many of these countries have enacted legislation recognizing Indigenous Peoples and their rights, and in some cases constitutional recognition has been afforded to Indigenous Peoples. At a regional level, the Inter-American Commission and Court on Human Rights have developed an important body of jurisprudence around indigenous Peoples’ rights. The scope of ILO Convention 169, which covers both Indigenous and tribal peoples, extends to groups such as Afro-descendants who do not self-identify as Indigenous, but share many characteristics in common with them. In this regard the Inter-American Court on Human Rights has clarified that the rights recognized under the international framework of Indigenous Peoples’ rights, including the requirement to obtain FPIC for mining and energy projects, also applies to these tribal groups which share similar characteristics with Indigenous Peoples, such as social, cultural and economic traditions different from other sections.
of the national community, identifying themselves with their ancestral territories, and regulating themselves, at least partially, by their own norms, customs, and traditions.14

Nevertheless, governments in the region continue to resist full compliance with international standards related to significant discussion, with resistance to the concept resting on the fact that a significant majority of Africans are Indigenous to their countries, and most others are Indigenous to the continent. As a result, unlike in settler colonies, the notion of Indigenous Peoples as ‘first inhabitants that were invaded by foreigners’ has little traction. The African Commission on Human and Peoples Rights has attempted to dispel misunderstandings around the concept stating that:

Rather than aboriginality, the principle of self-identification is a key criterion for identifying Indigenous peoples. This principle requires that peoples identify themselves as Indigenous, and as distinctly different from other groups within the state.15

The Commission also recognises three main characteristics for Indigenous Peoples in Africa:

The focus should be on the more recent approaches focussing on self-definition as Indigenous and distinctly different from other groups within a state; on a special attachment to and use of their traditional land whereby their ancestral land and territory has a fundamental importance for their collective physical and cultural survival as peoples; on an experience of subjugation, marginalization, dispossession, exclusion or discrimination because these peoples have different cultures, ways of life or modes of production than the national hegemonic and dominant model.16

This experience of subjugation was elaborated on by the Commission noting that:

Domination and colonisation has not exclusively been practised by white settlers and colonialists. In Africa, dominant groups have also after independence suppressed marginalized groups, and it is this sort of present-day internal suppression within African states that the contemporary African Indigenous movement seeks to address.17

The Commission has also identified some of the groups which fall under the rubric of Indigenous Peoples in Africa. Among these are:

- the Pygmies of the Great Lakes Region
- the San of South Africa
- the Hadzabe of Tanzania
- the Ogiek, Sengwer
- Yakuu of Kenya, all hunter-gatherer peoples

Nomadic pastoralists include:

- the Pokot of Kenya and Uganda
- the Barabaig of Tanzania

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14 Doyle C & J Carino footnote 48
• the Masai of Kenya and Tanzania
• the Samburu, Turkana, Rendille, Endorois and Borana of Kenya
• the Karamajong of Uganda
• the Hinda of Namibia
• the Tuareg, Fulani and Toubou of Mali, Burkina Faso and Niger
• the Amazigh of North Africa.

As noted by the Commission the diverse ways of life and cultures of these groups are distinct from those of mainstream African society and their livelihoods are highly land and natural resource dependent and frequently subsistence in nature. They include hunter-gather communities, nomadic pastoralists, and, to a lesser degree, small-scale farmers and their survival is increasing threatened from territorial encroachment, in particular by actors in the energy, extractive and tourism sectors. The African Court on Human and Peoples Rights has also recognized the applicability of the concept of Indigenous Peoples to these groups and the need to ensure protection of their rights. A number of factsheets have also been developed in conjunction with IFAD on the characteristics and situation of Indigenous Peoples in African countries such as Congo, Kenya, Niger and Tanzania.19

6 Identification of Indigenous Peoples in Asia

In Asia, as in Africa, a number of governments resist the use of the term Indigenous Peoples and, with a few exceptions, such as the Philippines, Japan and Nepal, Asian States generally do not afford constitutional or legislative recognition to Indigenous Peoples as distinct peoples with collective rights. As in Africa, the argument put forward by States is that all the people of Asia are indigenous to their countries. However, this argument has been soundly refuted by Asian Indigenous groups, academics and UN human rights bodies on grounds similar to those raised by the African Commission in Africa.20

Unlike Africa and Latin America, Asia lacks a region-wide Human Rights mechanism to address the issue.21 At the sub-regional level, the Association of South East Asian Nations (ASEAN) has established a Human Rights mechanism, but its mandate is limited to the promotion of the ASEAN Declaration on Human Rights (ADHR) which does not explicitly address the rights of Indigenous Peoples.22 Region wide guidance has, however, been provided by the UN Special Rapporteur on the rights of Indigenous Peoples following a 2013 consultation held with representatives of Indigenous Peoples in Asia.

The Rapporteur’s report on the situation of Indigenous Peoples in Asia explains that there are particular groups, such as those referred to as “tribal peoples”, “hill tribes”, “scheduled tribes” or “adivasis”, which “distinguish themselves from the broader populations of the Asian countries and fall within the scope of the international concern for Indigenous Peoples”.23 These groups have “distinct identities and ways of life, and face very particularized human rights issues related to histories of various forms of oppression such as dispossession of their lands and natural resources and denial of cultural expression”24 They

21 Sub-regional groups, such as the Association of South East Asian Nations (ASEAN), have formed sub-regional human rights mechanisms but these do not address the rights of indigenous peoples
22 The ASEAN Declaration on the Elimination of Violence Against Women and Violence Against Children does however include a reference to “women and children belonging to ethnic and/or indigenous groups”
23 Anaya Asia Consultation A/HRC/24/41/Add.3 para 6
24 Ibid para 7
continue to be “among the most discriminated against, socially and economically marginalized, and politically subordinated parts of the societies of the countries in which they live.” A non-exhaustive list of groups from the various Asian countries represented in the consultation, were listed by the Rapporteur to illustrate this reality.

A book addressing the concept of Indigenous Peoples in Asia has been produced by Asia Indigenous Peoples Pact and the International Work Group on Indigenous Affairs, and factsheets have been developed in conjunction with International Fund for Agricultural Development (IFAD) on the characteristics and situation of indigenous peoples in Asia and the Pacific in countries such as Bangladesh, Cambodia, India, Indonesia, Laos, Nepal, the Philippines, and Vietnam.

Identification of Indigenous Peoples in Russia

The Russian legislative framework affords recognition to some of those groups who meet the characteristics of Indigenous Peoples under international law, including the Sami people and groups of Asian countries?

25 Ibid

26 The non-exhaustive list included the following groups:

- Bangladesh: Chakma, Marma and Tripura (collectively known as Jumma), and Santal, and Mandi, commonly referred to as Adivasi and officially referred to as tribes (upajati), minor races (khudro jatishaotta), ethnic sects and communities (nrijoshthi o shomprodai);
- Cambodia: Broa, Bunong, Chhong, Jarai, Kachak, Kavet, officially referred to as ethnic minority groups, indigenous minority peoples and Khmer-Loeu (hill tribes);
- India: Gond, Oraon, Khond, Bish, Min, Onge, Jarawa, Nagas, officially referred to as Scheduled Tribes or Adivasi (original inhabitants);
- Indonesia: Masyarakat adat communities, including groups such as the Dayak Benuaq, the orang Tengger and the Orang Badui, a subset of whom are officially referred to as komunitas adat terpencil;
- Japan: Ainu, officially referred to as indigenous peoples, and the Ryukyans or Okinawans, who have sought similar recognition as indigenous peoples;
- Lao People’s Democratic Republic: The majority of the Mon-Khmer, Sino-Tibetan and Hmong-Mien grouping, officially referred to as ethnic minorities and non-ethnic Lao;
- Malaysia: Orang Asli (original peoples) of peninsular Malaysia, the Buitans, Bisayans, Dusuns, Sea Dayaks, Land Dayaks groups of Sarawak, and the natives of Sabah, officially referred to as aborigines and natives;
- Myanmar: Shan, Kayin (Karen), Rakhine, Kayah (Karenni), Chin, Kachin and Mon, commonly known as ethnic nationalities and officially referred to as national races;
- Nepal: Magar, Tharu, Tamang, Newar, Rai, Gurung and Limbu, commonly known as Adivasi Janajati and officially referred to as indigenous nationalities;
- The Philippines: Aeta, Ati, Ibaloi, Kankanaey, Mangyan, Subanen, officially referred to as indigenous peoples and indigenous cultural communities;
- Thailand: Karen, Hmong, Lahu, Mien, commonly known as ethnic minorities and officially referred to as “chao khao” or “hill tribes”, and the nomadic sea gypsies or “Chao Lay”; and
- Viet Nam: Tay, Thai, Hmong, Muong and Khmer, officially referred to as ethnic minorities (dan toc thieu so, dan toc it nguoi).

referred to as “Indigenous small numbered peoples of the north”. However, it arbitrarily excludes those peoples who share similar histories and ways of life, but whose populations exceed 50,000 people.28

All of these officially unrecognized Indigenous Peoples in Asia, Africa and Russia share similar characteristics with, and face similar issues to, groups in other regions that are recognized as falling under the category of Indigenous Peoples, being: a) Indigenous to a territory b) in non-dominant positions, c) “have suffered and continue to suffer threats to their distinct identities and basic human rights in ways not felt by dominant sectors of society”.29 Indeed, the need to address their disadvantaged situation in accordance with Human Rights principles has been recognized by their governments at the international level, as reflected in their support for the UNDRIP. Irrespective of the contradictory positions which the governments of some of these countries have adopted at the national level around the use of the term Indigenous peoples to describe these distinct peoples, they are equally vested with the inherent rights recognized in the UNDRIP by virtue of their existence, characteristics and needs.

5 Indigenous Peoples in the United States, Canada, Australia, New Zealand and Europe
In the settler societies of Australia, Canada, New Zealand, and the United States demonstrating descent from the populations which inhabited the country at the time of the establishment of state is less of an obstacle than in other regions. However, issues in relation to State recognition of Indigenous Peoples exist, and legislative and policy frameworks and judicial rulings continue to fall short of international standards in terms of Indigenous rights’ recognition and protection.

In the United States, certain Native American tribes are recognized by the Federal government, with a degree of recognition afforded to inherent Indigenous sovereignty under United States’ jurisprudence. As a result tribes are free to determine their membership. However, while self-identification as a tribe is necessary for recognition, it is not considered sufficient under the law. As a result some tribes remain unrecognized and consequently lack legal protection. Likewise, the rights of tribes, or members of tribes, who reside outside of reservation lands are afforded lesser protections under the law. Furthermore, federally recognized tribal governments exist in parallel with traditional governance structures, a reality which should be addressed during corporate Human Rights Due Diligence and has implications for inclusive Consultations and consent seeking processes.

In Canada, Indigenous Peoples’ existing rights are afforded Constitutional protection since 1982 and a complex, and often slow and inefficient, land claims system exists to ensure recognition and protection of those rights. First Nations’ reserves tend to be smaller and more numerous than Native American reservations, and issues also exist around the non-recognition of First Nations that are not registered under the 1951 Indian Act, with the Inuit and Metis’ rights only recently recognized. Legal rulings continue to play a significant role in shaping government policy in relation to indigenous self-governance, and rights and the requirement for consultations and consent. In both the United States and Canada historical treaties also exist, and they continue to have an important role to play in regulating the relationship of the State with Indigenous Peoples.

In New Zealand, the Treaty of Waitangi governs the relationship between the Crown and the Maori. A tribunal was established to address the claims of the Maori people. While some progress has been made in processing claims the Waitangi tribunal is under resourced leading to significant delays. The State is also failing to fully comply with its duty to Consult the Maori, as “consultation procedures appear to be...”

28 A/HRC/15/37/Add.5 para 8
29 Ibid para 9
applied inconsistently, and are not always in accordance with traditional Maori decision-making procedures, which tend to involve extensive discussion focused on consensus-building.”

Australia’s Indigenous Peoples, referred to as Aboriginals and Torres Strait Islanders, lacked citizenship under the Constitution until 1967. The first recognition of their native title rights at the national level was in 1982 in the landmark Mabo case. In 1993, the Native Title Act was enacted to give effect to the ruling. Indigenous rights are also recognized to varying degrees in legislation at the federal and state level. A variety of institutions exist to represent Aboriginal peoples, ranging from a national representative body to large land councils, such as those established under land rights acts, to corporate like native title representative bodies. The relationship between these representative bodies and traditional land owners can be complex at times, and Indigenous groups have pointed to the need for an improved institutional framework that ensures the voice of Traditional Owners are heard and respected.

In Europe, the Sami of Norway, Sweden and Finland are recognized as Indigenous Peoples. Each country has its own legislation affording recognition to the Sami, with Sami Parliaments existing in Norway, Sweden and Finland. The parliaments are generally focused on issue of cultural heritage and lack the power or authority to represent Sami communities in negotiations in relation to land and resource access and usage. Norway has ratified ILO Convention 169 and as a result affords the greatest level of legal protection of the four countries to Indigenous Peoples’ rights. The European Court of Human Rights has recognized the Sami status as an Indigenous People, but has not to date developed a body of jurisprudence in relation to the implementation of their land and resource rights.

- The Human Rights Due Diligence process in Criterion 9.1 should specifically address risks to Indigenous Peoples’ rights and interests, in conjunction with the concerned Indigenous Peoples.
  - The UN Special Rapporteur on the Rights of Indigenous Peoples has noted that the following framework should apply: “Companies exercise Due Diligence by identifying, prior to commencing their activities, matters relating to the rights of Indigenous Peoples and paying adequate attention to those matters as the activities are being carried out. This includes recognition of the existence of Indigenous Peoples and of their own social and political structures; Indigenous Peoples possession and use of land, territory and natural resources, exercise by the state of its duty to consult Indigenous Peoples in relation to activities that might affect them, and the related responsibility of Business; impact studies and mitigation measures; and benefit sharing with Indigenous Peoples.”
- Draw on experienced and expert assistance, in conjunction with the concerned Indigenous Peoples, to develop Policies, training, strategies, plans and actions. Ensure that these draw on appropriate language, anthropological, cultural and social skills.
  - Careful consideration should be given to the make-up of the team that develops and maintains ongoing relationships with Indigenous Peoples.
  - Ensure that Indigenous Peoples communities have access to appropriate company contacts for issues related to the operation’s activities.
- In conjunction with the concerned Indigenous Peoples, develop and implement Policies and Procedures that address:
  - Respecting the rights, interests, aspirations, culture and natural resource-based livelihoods of Indigenous Peoples
  - Clearly identifying and understanding the interests and perspectives of Indigenous Peoples regarding operations, projects and potential impacts. Communities of Indigenous Peoples are not necessarily homogeneous and there can be divergent views and opinions within them. The views of the traditional elders or leaders may differ from those who have received formal education; the views of the elderly may differ from those of the youth; and the views of men may differ from women. Nonetheless in many cases, community elders or leaders, who are not necessarily the elected officials of these
communities, play a key role. Furthermore, some segments of the community such as women, youth, and the elderly, may be more Vulnerable or At-Risk to project impacts than others. The Consultation should take into account the interests of these segments in the community while being cognizant of traditional cultural approaches that may exclude segments of the community from the decision-making process.

- Engaging and Consulting with Indigenous Peoples in a fair, timely and culturally appropriate way through an operation’s life cycle, ensuring that Indigenous Peoples have access to all relevant information in a manner, language and form appropriate for them. The engagement process will take account of existing social structures, leadership, and decision-making processes as well as social identities such as gender and age, and be cognizant of both the existence of patriarchal traditions and social norms and values that may limit women’s participation in leadership roles and decision-making processes, and the need to protect and ensure the legal rights of Indigenous women.
- Obtaining Free, Prior and Informed Consent (FPIC) in applicable circumstances.
- Negotiating partnership and/or programs that provide benefits and mitigate impacts.
- Seeking to build long-term partnership with Indigenous Peoples to support self-empowered regional and community development, which addresses the development priorities of the concerned Indigenous Peoples, such as through education, training, healthcare, and Business enterprise support.
- Ensuring affected Indigenous Peoples have opportunities to provide their input into periodic Policy reviews and revisions.
- Monitoring the progress of engagement approaches, agreements, and evaluating impacts.
- Gender considerations and the intersection with the above.

Consider the resources required to implement the Policies and Procedures effectively.

- Resources should be allocated to cover company and Indigenous Peoples’ capacity building needs. Independent expertise may be needed in the areas of Impact Assessment, negotiation, monitoring, reporting and grievance resolution activities.
- Ensure all staff relating with Indigenous Peoples receive relevant training to ensure sufficient knowledge of key principles, local issues and appropriate conduct.
- Where Indigenous Peoples are also Workers in the operations, consideration should be given to the need for cultural awareness training for all staff. The objective should be building cross-cultural understanding for company personnel to understand Indigenous Peoples’ culture, values and aspirations, and for Indigenous Peoples to understand a company’s principles, objectives, operations and practices.

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 Entity shall Consult and cooperate in good faith with the Indigenous Peoples concerned through their own representative institutions in order to obtain their Free, Prior and Informed Consent:

a. For New Projects or Major Changes to existing projects that may have significant impacts on the Indigenous Peoples associated culturally and living on the relevant lands 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.

b. Where engaged in Bauxite Mining:
   i. Prior to commencing entering a new phase of operations affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.
   ii. Prior to altering an existing Mine Rehabilitation and closure plan affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

c. Where FPIC is required in 9.4 a or b: Demonstrate that the consent is supported by the Indigenous Peoples community...

Application:

- For New Projects and Major Changes initiated pre-2022: this Criterion applies only to those projects initiated after the Entity joined ASI.
- For New Projects and Major Changes initiated from 01 January 2022 onwards: this Criterion applies to all projects.
- Criterion 9.4(a) applies to all Facilities.
- Criterion 9.4(b) applies to all Bauxite Mines.
- Criterion 9.4(c) applies if either 9.4(a) or (b) applies.

Where the presence of Indigenous Peoples or their lands, territories and resources is identified, FPIC processes are applicable for New Projects or Major Changes (such as significant new infrastructure or expansions, or changes in land use) to existing projects or Facilities that may have significant impacts on affected Indigenous Peoples. This would include:

- Impacts on lands and natural resources subject to traditional ownership or under customary use
- Resettlementlocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use
- Significant impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples
- Use of cultural heritage, including knowledge, innovations or practices of Indigenous Peoples for commercial purposes.

Background:

- There is no universally accepted definition of Free, Prior and Informed Consent (FPIC) and practices are evolving. In broad terms, FPIC comprises a process and an outcome. The process builds upon mutual engagement process and should be established through good faith negotiation between companies and affected Indigenous Peoples. Good faith negotiation involves on the part of all parties:

31 ‘Resettlementlocation’ in this context may refer to both physical displacement – relocation or loss of shelter, and economic displacement – loss of assets, or access to assets, that lead to loss of income sources or other means of livelihood, as a result of project-related land acquisition and/or restrictions on land use (Adapted from IFC Performance Standards, 2012).
Points to Consider in Implementing Criterion 9.4:

- FPIC builds and expands on collaborative engagement and should be established through good faith negotiation processes. This goes beyond Consultation.
  - The right to give or withhold consent must be clear in the negotiation process with the affected Indigenous Peoples.
  - The company will need appropriate expertise while conducting this process. This includes expertise in sociology or anthropology and knowledge and understanding of the local context, culture and language(s) of the affected Indigenous Peoples.
  - The process should strive to be fair and transparent and ensure that all communities and relevant parts thereof are represented.
  - Special attention should be made to ensure that women, youth, elders and Vulnerable or At-Risk people can participate meaningfully in meetings and negotiations. Social or cultural norms or practices may prevent them from participating in engagement activities. For example, in some cultures women may not feel comfortable or be permitted to participate in important community decision-making processes. Logistical constraints may also make it difficult to participate: the women with family responsibilities, elderly/youth and those in poor health or with disabilities may face constraints in participating in engagement processes.

- Free: implies no coercion, intimidation or manipulation.
- Prior: implies consent has been sought sufficiently in advance of any authorisation or commencement of activities and respects the time requirements of Indigenous Peoples consultation, engagement, deliberation consensus processes.
- Informed: implies that information is provided that covers (at least) the following aspects:
  - The nature, size, pace, duration, reversibility and scope of any proposed project
  - The reason(s) or purpose of the project
  - The location of areas that will be affected
  - A preliminary assessment of the possible economic, social, cultural and environmental impacts, including potential risks and benefits
  - Personnel likely to be involved in the implementation of the project
  - Procedures that the project may entail.

- Consent: Consultation and participation are key elements of a consent process. Consultation must be undertaken in good faith. The parties must establish a dialogue allowing them to identify appropriate and workable solutions in an atmosphere of mutual respect, and full and equitable participation, with ample time to reach decisions. This process includes the option of withholding consent. Indigenous Peoples and local communities must be able to participate through their own freely chosen representatives and customary or other institutions.
  - The participation of women, youth and children are encouraged where appropriate.

- Good faith includes respect for how Indigenous Peoples wish to develop the FPIC process / protocol and respect for the independence of Indigenous Peoples’ decision making processes. FPIC processes are essentially locally determined and therefore developed within the context of the particular culture and traditions of the affected peoples. It is not a corporate pre-defined process and corporations must proceed in cooperation with and under the guidance of the Indigenous authorities.
Where the potentially affected Indigenous Peoples have an FPIC process / protocol in place the company should **consider** abiding by its provisions.

Where there is no pre-existing FPIC process / protocol, the company should **consider** providing resources to support the potentially affected Indigenous Peoples to develop an FPIC process / protocol independently from the company, where they wish to do so; or where the potentially affected Indigenous Peoples do not wish to develop one by themselves, the company should engage with Indigenous Peoples’ representative institutions in an effort to reach a mutual understanding regarding the FPIC process / protocol.

If and where non-contacted Indigenous Peoples are involved, indications of their resistance to intrusions into their territories should be taken as clear expressions of their exercise of FPIC and rejection of the proposed intrusions.

- As part of the FPIC process, companies should **consider**, consistent with IFC Performance Standard 7:
  - Documenting efforts to avoid and otherwise minimise impacts
  - Identifying, assessing and documenting resource uses and ensure affected Indigenous communities are informed of their land rights
  - Offering compensation, preferably land-based or compensation-in-kind, in lieu of cash compensation
  - Ensuring continued access to natural resources, and ensure fair and equitable sharing of benefits associated with the use of resources that are central to the identity and livelihood of affected Indigenous Peoples communities.

The provision for informed consent and other aspects of FPIC may require processes by which **Indigenous Peoples affected communities** better understand corporate proposals prior to decision making. Information should not only come from corporate representatives, and Indigenous Peoples may need access to independent expert inputs and technical advice. Consider how to:

- Provide sufficient information for decision-making
- Present information in forms that assist its comprehension
- Translate materials into local languages
- Establish funds under the control of Indigenous Peoples institutions for gaining independent legal advice or other expert support.

Where resettlement, relocation or economic displacement of Indigenous Peoples is proposed, this will require their FPIC.

- The lands provided must be of a similar quality, enabling them to maintain their livelihoods and, where appropriate and feasible, way of life.
- As part of the Resettlement Action Plan, full consideration should be given to ensuring that they can access and return to original lands.
- See also general guidance for Criterion 9.6 on Resettlements.

Where FPIC is obtained, **consider putting** contractually binding rights-based project-level agreements should be put in place, addressing issues including: impacts, risks, benefits, monitoring, reporting, grievance mechanisms, project transfer, closure and Rehabilitation, and access and protection of cultural and sacred sites.

- Indigenous Land Use Agreements (ILUA) in Australia and Impact Benefit Agreements in Canada provide examples for such framework agreements.

Where FPIC is not obtained, this should also be recorded.

For more guidance on implementing FPIC processes, consult available references including the [International Finance Corporation (IFC) Performance Standard 7 – Indigenous Peoples – Guidance Note](2012), [Food and Agriculture Organisation of the United Nations (FAO) – Respecting Free, Prior and Informed Consent](2014), [Forest Stewardship Council (FSC) guidelines for the implementation of the right to free, prior and informed consent (FPIC)](2012), the [International Council on Mining and Metals (ICMM) Good Practice Guide – Indigenous Peoples and Mining](2015) and the [Mining, the Aluminium Industry and Indigenous Peoples](2015) report and its associated [Fact Sheet – Free Prior and Informed Consent (FPIC)].
Resolve’s The Practice of FPIC: The Australian Business Guide to Implementing the UN Declaration on the Rights of Indigenous Peoples and the UN Declaration on the Rights of Indigenous Peoples.

9.5 Cultural and Sacred Heritage

a. The Entity, in Consultation and in cooperation with affected Communities, shall cooperatively identify sacred or cultural heritage sites and values within the Entity’s 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.

b. Where Indigenous Peoples’ sacred or cultural heritage sites and values may be impacted, Criterion 9.4 on FPIC will apply; the Entity shall obtain the FPIC of the Indigenous Peoples.

Application:
- Criterion 9.5(a) applies to all Facilities.
- Criterion 9.5(b) applies to all Facilities where the presence of Indigenous Peoples or their lands, territories and resources is identified.

Background:
- Tangible cultural heritage is considered a unique and often non-renewable resource that possesses cultural, scientific, spiritual, or religious value and includes moveable or immovable objects, sites, structures, groups of structures, natural features, or landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural value.

Points to Consider in Implementing Criterion 9.5:
- Identify, through consultations with relevant communities and stakeholders, any existing sacred and/or cultural heritage sites and values within your areas of operation.
  - The process for Indigenous Peoples to identify their sacred and cultural heritage sites remains under their control and should not be overruled by outside experts. Culturally appropriate processes of site identification should be used as appropriate, which may require additional resources.
- Develop a general Policy and Procedures on sacred or cultural heritage sites and values, in consultation with potentially affected Communities.
- Prior to any ground disturbing activity that may impact on sacred or cultural heritage sites and values, develop and implement specific measures that prevent, remedy or mitigate negative impacts from your activities.
  - Develop these measures with the participation of the relevant stakeholders.
- Where relevant, implement a monitoring system that verifies the effectiveness of these measures, in cooperation with the relevant stakeholders.
  - Where any issues are identified that need to be addressed, the approach taken should build on existing Communities’ values and processes.

9.6 Resettlements

The Entity shall:

a. In project designs: consider feasible alternatives to avoid or minimise physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and Vulnerable or At-Risk, including women.

b. When physical displacement is unavoidable: In Consultation and in cooperation with the affected parties, develop a Resettlement 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.

c. Regularly review the Resettlement Action Plan and, where required, identify and implement improvements to ensure that living conditions and income generating options equal or exceed those prior to resettlement.

d. Ensure that the Resettlement Action Plan, including the number of people impacted, shall be made publicly available. Progress against the Resettlement Action Plan shall be shared with affected parties annually for the duration of its implementation or in the event of a deviation from the Resettlement Action Plan.

e. Where Indigenous Peoples’ are involved in the resettlement, the Entity shall obtain the FPIC of the Indigenous Peoples.

Application:
- For New Projects and Major Changes initiated pre-2022: this Criterion applies only to those projects initiated after the Entity joined ASI.
- For New Projects and Major Changes initiated from 01 January 2022 onwards: this Criterion applies to all projects.

Background:
- Resettlement refers both to physical displacement – relocation or loss of shelter, and economic displacement – loss of assets, or access to assets, that lead to loss of income sources or other means of livelihood, as a result of project-related land acquisition and/or restrictions on land use.
- Involuntary resettlement occurs when affected persons or Communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
  - Experience has shown that involuntary resettlement can result in long-term hardship for affected persons and Communities. Unless properly managed, involuntary resettlement may result in impoverishment, as well as environmental damage and social stress in areas to which they have been displaced.
  - Note that IFC Performance Standard 5 does not apply to resettlement resulting from voluntary land transactions – that is, market transactions where the seller is not obliged to sell and the buyer cannot resort to appropriation or other compulsory Procedures if negotiations fail.
- International Finance Corporation (IFC) Performance Standard 5 (January 2012) provides an international standard for Land Acquisition and Involuntary Resettlement, with objectives to:
  - Avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs
  - Avoid forced eviction
  - Anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisitions or restrictions on land use by providing compensation for loss of assets at replacement cost, and ensuring that resettlement activities are implemented with appropriate disclosure of information, Consultation and the informed participation of those affected
  - Improve, or restore, the livelihoods and standards of living of displaced persons
  - Improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.
Points to Consider in Implementing Criterion 9.6:

- For more guidance on management of physical and/or economic displacement, consult available references including the International Finance Corporation (IFC) Performance Standard 5 – Land Acquisition and Involuntary Resettlement – Guidance Note (2012), and the IFC Handbook for Preparing a Resettlement Action Plan (2001) and the Basic Principles and Guidelines on Development Based Evictions and Displacement (UN Special Rapporteur). An outline of a Resettlement Action Plan is provided in Annex A of the IFC Performance Standard 5 Guidance Note, and the Handbook provides step-by-step guidance through the resettlement planning process and includes practical tools such as implementation checklists, sample surveys, and monitoring frameworks.

For 9.6(a):

- Consider all feasible alternative project designs that avoid, or where avoidance is not possible, minimise physical and/or economic displacement, while balancing environmental, social and financial costs and benefits.
  - Gender is a critical dimension and women’s interests, expectations and participation should be sought. Gender-sensitive mechanisms should be implemented to avoid negative impacts on women’s livelihoods.
  - Consideration should also be given to the rights of poor and/or Vulnerable or At-Risk people, such as those renting land from a landholder who is involved in negotiations.

- Negotiated settlements help avoid expropriation and eliminate the use of governmental authority to remove people forcibly. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or Communities, and by mitigating the risks of asymmetry of information and bargaining power.

- Involuntary resettlement only takes place when all other solutions have been explored and rejected, via a social impacts analysis that balances environmental, social and financial costs and benefits and takes into account the impacts on the poor and Vulnerable or At-Risk groups.

For 9.6(b):

- In case of physical resettlement (i.e. where projects involve the relocation of people from their homes), develop and implement a Resettlement Action Plan that is consistent with IFC Performance Standard 5, with the participation of all affected persons and communities. The scope and level of detail of the Resettlement Action Plan will vary with the magnitude of displacement and the complexity of the measures required to mitigate adverse impacts. Consider At a minimum, the Plan should:
  - Identify all people to be displaced
  - Demonstrate that displacement is unavoidable
  - Describe efforts to minimise resettlement
  - Describe the regulatory framework
  - Describe the process of informed Consultation and participation with affected people regarding acceptable resettlement alternatives, and the level of their participation in the decision-making process
  - Describe the entitlements for all categories of displaced people and assess risks to Vulnerable or At-Risk groups of the various entitlements, with an emphasis on efforts to provide land-for-land compensation of equal or greater productive and social value than the land acquired
  - Enumerate the rates of compensation for lost assets, describe how they were derived and demonstrate that these rates are at least equal to the replacement cost of lost assets
  - Ensure that documentation of ownership or occupancy, such as title deeds and lease agreements, and compensation (including the bank accounts established for payment of compensation), are issued in the names of both spouses or of single women heads of households, as relevant to each situation. Under circumstances in which Applicable Law and local customary tenure systems do not give women equal opportunities or rights with regard to property, provision should be made to ensure that the access of women to security of tenure is equivalent to that of men and does not further disadvantage women.
o Providing details on replacement housing
o Outlining plans for livelihood restoration if applicable, paying particular attention to the needs of women, the poor, and Vulnerable or At-Risk groups
o Describing relocation assistance to be provided
o Outlining the institutional responsibility for the implementation of the Resettlement Action Plan and Procedures for grievance redress
o Providing details of the arrangements for monitoring and evaluation and affected Communities’ involvement in this phase
o Providing a timetable and budget for the implementation of the Resettlement Action Plan.

• Key issues to consider in the Plan include compensation, livelihoods, housing and living conditions at sites, as well as social and cultural continuity of the Community.
  o When considering resettlement locations and housing, consider the following criteria for adequacy: accessibility, affordability, habitability, security of tenure, cultural adequacy, suitability of location, and access to essential services such as health and education.
  o There may also be a need to develop agreed strategies for protection of sites or safe movement of objects of special historical, spiritual or cultural significance (see Criterion 9.5).
  o Consideration should be given to the possibility of individuals and/or Communities returning to the land.
  o Women are frequently the first to suffer when resettlement is badly planned or executed as they are often a disproportionately large number of the poor; have more limited access to resources, opportunities, and public services than men; and as a result rely more heavily on informal support networks within their existing Communities. The resettlement process should specifically take into account women’s situations, adapting the engagement process as necessary to provide women a role in decision making. Special effort should be made to identify women’s: (i) means of income generation and livelihoods, including non-formal activities such as gathering natural resources, trading and bartering services and wares; (ii) social and economic networks including extended family ties; and (iii) ownership of affected assets including land and crops in order to appropriately compensate the owners. Women may, for example, put particular emphasis on maintaining the social continuity of the displaced Community.
  o Consider raising the profile of gender related matters in discussions with government agencies and other relevant groups in the course of resettlement planning, and in so doing encourage more equitable treatment of affected women.

• Compensation standards should be transparent and applied consistently to all those affected, and ready for implementation by the time of the resettlement.
  o Entitlements for the applicable classifications of affected persons, depending on the type of displacement and their formal legal rights, should be consistent with IFC Performance Standard 5.
  o Land-based compensation should be a starting point for agricultural based livelihood Communities, rather than cash.

• Consider developing a grievance mechanism for Community complaints as part of the Resettlement Action Plan that is:
  o Equipped to hear complaints around the livelihood restoration following the resettlement
  o Specific to the resettlement so that concerns relating to the resettlement itself, including the Resettlement Action Plan, can be raised before and after resettlement occurs
  o Time bound in implementation or, alternatively, consider developing a time-bound grievance mechanism specific to the resettlement.

Guidance on the development of grievance mechanisms generally can be found in Criterion 3.4.
• Conduct regular reviews of the Resettlement Action Plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  o The size and scope of the Business and the supply chain
  o The degree of risk in the geographic locations where the Business operates
  o Changes within the Business or external to the Business which would impact the Resettlement Action Plan (including any mergers and/or acquisitions)
  o Alignment with legal requirements.
  Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the Resettlement Action Plan, may trigger an earlier or more frequent review.

• Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the Resettlement Action Plan has been found to:
  o Not be fully effective in meeting its objectives
  o Not meeting stakeholder expectations
  o Not aligned with leading practices
  o Not meeting legislative requirements.

Points to Consider in Auditing Criterion 9.6:

For 9.6(c):
• It is expected that during an initial Certification Audit, an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 9.6c would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance /Re-certification Audits would verify the review was conducted as planned.

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. The Entity shall take appropriate steps to prevent and address 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. The duration of time between reviews shall not exceed five years.
  e. Explore with local Communities opportunities to respect and support their livelihoods.

Application:
• This Criterion applies to all Facilities.

Background:

Points to consider:
• The Human Rights Due Diligence process conducted under Criterion 9.1 should be used, in part, to identify the presence of issues affecting local Communities.
  o 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.
• Make sure you are aware of and respect the legal and customary rights and interests of local Communities in relation to their lands and livelihoods, as well as their related access to and use of natural resources.
  o Review the mMapp of Affected Populations and Stakeholders from Criterion 9.1(c)Stakeholders, and where they exist, review social and environmental Impact Assessments, and assess current engagement and dispute resolution strategies.
  o Consider each operation’s Area of Influence, which includes areas that are directly impacted, as well as indirect project impacts on biodiversity or on Ecosystem Services upon which affected Communities’ livelihoods are dependent.
  o Be aware that local Communities, including Indigenous Peoples, may not possess legal title to lands but may still use lands and natural resources, including seasonal or cyclical use, for their livelihoods or Community purposes.
  o A Community engagement approach, based on two-way information sharing and decision-making processes, can help create mutual understanding and responsiveness by all parties.
  o Make sure you consider potential impacts on affected communities such as noise, dust and increased traffic from operations. More broadly, in some areas social conflict can arise in communities where a new operation benefits some Community members but not others, changing the social dynamics. The nature of communities can change through in-migration of new Workers or people seeking work.
  o In particular, consider the gendered nature of impacts that can arise. Where there are environmental impacts that affect land-based activities in traditional Communities, this can undermine women’s ability to provide food and clean water for their families and can increase their workload. Where compensation or employment is directed to men “on behalf” of families, this can create a cash-based economy and affect women’s traditional status in society. A transient male work force can bring increased alcohol, sex workers and violence into a Community, affecting women’s safety.
  o Consider also potential Community benefits, such as the development of roads and railways in the interest of the local population and opportunities to enhance biodiversity, Ecosystem Services, and culture.
  o Successful engagement required ongoing frameworks for regular discussion, Consultation and interaction. Consider how to be inclusive, equitable, culturally appropriate and rights-compatible in your engagement activities.

For 9.7(b) and (c):
• Where actual or potential adverse impacts on local Community livelihoods are identified, take appropriate steps to prevent and/or address these.
  o Consider the livelihoods of both women and men.
  o Consider what steps and measures are appropriate for the organisation, given its potential impact and/or sphere of influence. Businesses are not expected to take on the responsibility to sustain the livelihoods of local Communities in general, but to avoid and minimise negative impacts that they may cause or contribute to.
   o Where biodiversity conservation measures are likely to affect the livelihood of local Communities, decisions on biodiversity conservation and the use of natural resources should be taken in consultation with local communities, including both women and men.
  o Similarly, actions taken to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts to Communities should be respectful of Biodiversity and Ecosystem Services.
  o As part of the Community engagement approach, ensure that complaints and grievance mechanisms are clear, have been communicated to local Communities and function according to their expectations.

For 9.7(d):
• Conduct regular reviews of the plan. Consider involving Affected Populations and Organisations in the review. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
   o The size and scope of the Business
The degree of risk in the geographic locations where the Business operates
The degree to which the plan is aligned with existing company practices
Changes within the Business or external to the Business which would impact the responsible sourcing Policy (including any mergers and/or acquisitions)
Alignment with legal requirements.
Depending on these factors, it is expected that a review would occur on a frequency ranging from three to five years. A significant event, such as a merger or acquisition or an identified material breach of the plan, may trigger an earlier or more frequent review.

Following a review, improvements should be identified and implemented where required. ‘Where required’ could include when the plan has been found to:
- Not be fully effective in meetings its objectives
- Not meeting stakeholder expectations
- Not aligned with leading practices
- Not meeting legislative requirements.

It is expected that during an initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 9.6c would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance /Re-certification Audits would verify the review was conducted as planned.

For 9.7(e):

More broadly, as part of ongoing Community engagement, explore options for supporting Community livelihoods and for contributing to local development.
- Consider initiatives and actions that can stimulate the development of local Communities, without creating dependence on the company or other actors.
- For example, capacity building, micro-credit initiatives, improved farming practices, and introduction of governance models for management of shared natural resources, are models that have had success in different contexts.

9.8 Conflict-Affected and High-Risk Areas

In order to avoid contributing to armed conflict or Human Rights abuses, the Entity shall not contribute to armed conflict or Human Rights abuses in exercise risk-based Due Diligence over its Aluminium supply chain in accordance with the OECD Due Diligence Guidance of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) in ways appropriate to its size and circumstances, including as a minimum:

a. Establish strong Management Systems, including a supply chain Policy, responsibilities and resources, information gathering and supplier engagement (Step 1)
b. Identify and assess risks in the supply chain (Step 2)
c. Design and implement a strategy to respond to identified risks (Step 3)
d. Undergo audit of Due Diligence practices (Step 4)
e. Report annually on supply chain Due Diligence (Step 5)

This Criterion does not apply to Entities that do not source directly or indirectly any Bauxite, Alumina or primary Aluminium.
Risk-based Due Diligence is a process that is relevant for a number of Criteria in the ASI Performance Standard. For Criterion 9.8, the focus of Due Diligence is on identifying and assessing risks related to Conflict-Affected and High-Risk Areas (CAHRAs), which are defined under the OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas (the ‘OECD Guidance’).

Risk-based Due Diligence enables companies to identify risks in order to prevent or mitigate adverse impacts associated with their sourcing practices. Due Diligence is designed to be an active process which is:

- Ongoing: integrated into Management Systems and regular processes
- Proactive: implemented to identify risks and mitigate them, so as to prevent adverse impacts
- Reactive: able to respond promptly to actual and potential risks
- Risk-based: designed to a level of detail and effort that matches the severity and likelihood of risks in your own supply chain
- Improving over time: while initially there may be low understanding of supply chain risks, knowledge and systems should be improved over time.

Conflict-Affected and High-Risk Areas (CAHRAs) can be a region, a country, an area within a country or an area that crosses one or more national boundaries. Companies that operate in, or source or use minerals from CAHRAs, are not necessarily complicit in conflict – in fact they can play an important role in supporting livelihoods, economic growth and prosperity in these areas when supported by a responsible sourcing program anchored in Due Diligence.

The nature and extent of Due Diligence that is appropriate for a company will depend on individual circumstances and be affected by factors such as the size of the enterprise, the location of the activities, the situation in a particular country, and the sector and nature of the Products or services involved. Due Diligence should be undertaken in good faith with reasonable efforts.

The OECD Guidance outlines a five-step framework for risk-based Due Diligence which is global in scope and can be applied to all minerals. The key elements of the OECD five steps are shown in Figure 32.

- Additional resources are available on the London Metal Exchange Website, including short FAQ videos.
Figure 32 – The key elements of OECD’s five-step framework for Due Diligence (Adapted from Source: Responsible Jewellery Council, Code of Practices Guidance, 2019)
The ASI Performance Standard has addressed the issue of sourcing from Conflict-Affected and High-Risk Areas since inception. By formally aligning with the OECD Guidance in this latest version of the Performance Standard, ASI intends to become an ‘industry programme’, particularly in relation to Step 4 audits – the first such programme designed for the global Aluminium value chain. While the OECD Guidance applies to all minerals, the scope of ASI’s program covers Bauxite, Alumina and Aluminium.

To support ASI Members implementing the OECD Guidance for the first time, and in the absence of a tailored OECD Guidance Supplement for Aluminium, a detailed approach for the Aluminium supply chain is set out by ASI below. The OECD Guidance itself can also be referenced for more information. Companies retain individual responsibility for implementing all applicable due diligence steps, including reporting.

ASI’s approach is anchored in the overarching OECD five-step framework, with additional guidance and supporting definitions drawn from the Gold and 3Ts Supplements as appropriate and adapted from other implementing programs for gold and non-3TG minerals, particularly the Responsible Jewellery Council.

A detailed OECD Alignment Assessment of ASI’s approach will be carried out to evaluate ASI’s alignment with the OECD Guidance. Subsequent recognition by the London Metal Exchange (LME) as a ‘Track A’ external standard under LME’s Responsible Sourcing rules will be based on the results of the alignment assessment.
The OECD five-step framework is presented below in the order that the steps are set out in the OECD Guidance. However, while the overall framework is mandatory, companies may implement the various parts of Steps 1 and 2 in the order that works best for them, or in parallel, to enhance learning and improvement.

For 9.8(a) OECD Step 1 – Establish strong company Management Systems (Criterion 9.8a)

- **Step 1A: Supply chain Policy**
  - Adopt and commit to a CAHRAs Policy. The Policy should state your position on identifying and managing risks for Bauxite and the Aluminium supply chain specifically, or minerals generally, that are potentially sourced from CAHRAs, whether by yourself and/or via suppliers.
    - A CAHRAs Policy template, adapted from the OECD Guidance Annex II, is included in Appendix 2.
  - Set out your commitment to the risk-based Due Diligence steps outlined in the five-step framework of the OECD Guidance (Annex I). Use the Policy to set out a clear and coherent management process to ensure these risks are adequately managed.
  - Make sure your Policy covers all the risks associated with CAHRAs at a minimum. Risks associated with CAHRAs are identified in Annex II of the OECD Guidance (see box below).
  - The CAHRAs Policy can be stand-alone or integrated in a broader approach to responsible sourcing or Due Diligence, for example your company’s Code of Conduct (Criterion 1.3), Environmental, social and governance Policy (Criterion 2.1), and/or Human Rights Policy (Criterion 9.1a).
  - Seek to involve relevant staff in the development of the Policy, such as in the procurement, production, compliance, customer and communications areas, to help make sure it can be practically implemented. Consulting key external Affected Populations and Organisations may also be valuable.
  - Communicate your Policy to suppliers and the public, including by:
    - Making it publicly available on your website
    - Sending it directly to immediate suppliers.

### OECD Guidance Annex II Risks in CAHRAs

- **Risks of serious Human Rights abuses** in CAHRAs are outlined in Paragraph 1 of Annex II of the OECD Guidance as:
  - Any forms of torture, cruel, inhuman and degrading treatment
  - Any forms of forced or compulsory labour
  - Worst forms of Child Labour
  - Other gross Human Rights violations and abuses such as widespread sexual violence
  - War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

- **Other risks** in CAHRAs which are outlined in Annex II of the OECD Guidance are:
  - Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions
  - Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain
  - Bribery and fraudulent misrepresentation of the origin of minerals
  - Money laundering and non-payment of taxes, fees and royalties due to governments.

- **Step 1B: Structure internal Management Systems to support supply chain Due Diligence**
  - Assign authority and responsibility to a senior manager with the necessary competence, knowledge and experience to oversee supply chain Due Diligence. Their responsibilities will include:
    - Leading the development and implementation of the CAHRAs Policy (Step 1A)
    - Co-ordinating and communicating the Policy and its implementation across the company
    - Engaging with relevant suppliers to respect the Policy
    - Carrying out internal and, if relevant, external training
    - Responding to identified supply chain risks
- Publicly reporting on Due Diligence each year (Step 5)
- Reviewing and improving internal Management Systems over time.
  - Make sufficient resources available to support the implementation of supply chain Due Diligence, taking into account the company size, location and circumstances.
  - Organise internal structures and communication processes so that critical information, including the CAHRAs Policy (Step 1A), reaches relevant internal teams and suppliers.
  - Support delivery of relevant training to build capacity internally and with suppliers as appropriate. This can include accessing publicly available training modules developed by ASI.
  - Depending on your size and circumstances, different aspects of supply chain Due Diligence may be delegated or implemented by various individuals and teams in an organisation. However internal accountability should be clearly set out, and ultimately rest with the responsible senior staff who oversees these activities.

- **Step 1C: Establish a system of transparency, information collection and controls over the supply chain**
  - An understanding of your supply chain is the foundation of risk-based Due Diligence. The OECD Guidance is framed around identifying the ‘origin’ of mined minerals and countries of transit for the mined ore, so that you can assess risks associated with CAHRAs. The responsibilities for these efforts depend on your position in the supply chain.
  - **What is the origin?** To support determination of the origin of Aluminium, ASI has drawn from the OECD Guidance Gold Supplement to create the following framework to guide implementation:
    - **Primary Aluminium origin:** the country/ies or mine/s where Bauxite ore/s were mined.
    - **Recycled Aluminium (secondary Aluminium) origin:** the recycling of metals reasonably assumed to be Pre-Consumer or Post-Consumer Scrap is excluded from the scope of the OECD Guidance and these materials do not need a determination of origin. However, the origin/s of any Primary Aluminium used in Aluminium Re-Melting/Refining to produce secondary Aluminium must still be determined (according to the above or below definitions as appropriate).
    - **Grandfathered Aluminium stocks (primary or secondary):** to avoid the significant challenges of retrospective inquiry, Aluminium stocks held by warehouses, exchanges and producers with a verifiable production date prior to 1 January 2022 does not require a determination of Bauxite origin under Criterion 9.8 of the [ASI Performance Standard](https://www.aluminium-stewardship.org).
  - **Who has responsibility for determining Bauxite origin and countries of transit?** The OECD Guidance sees smelters or refiners as the ‘choke point’ (or control point) in mineral supply chains because they generally have higher visibility and control over identifying the origin of mined ore. The two OECD Guidance Supplements specifically identify tin, tantalum and tungsten smelters for 3Ts, and gold refiners for gold, as the key control point that links between mines and the downstream users of these respective metals.
    - The Aluminium value chain has not one but **two mineral processing steps** between mines and the production of metal: Alumina Refining from Bauxite ore, followed by Aluminium Smelting of the Alumina through electrolysis to produce primary Aluminium. These Facilities are not usually co-located, and while some companies have vertical integration, many do not.
    - **In addition,** Aluminium Re-Melting/Refining, which is a process to recycle Aluminium Process Scrap and used Aluminium products, may sometimes also source small amounts of primary Aluminium to improve the quality of secondary (recycled) Aluminium.
    - **Primary (mined) vs Recycled (secondary) Aluminium:** Aluminium Re-Melting/Refining processes cannot themselves produce primary Aluminium. The raw material input to Aluminium Smelters, Alumina (a white powder), can in no way be directly used by, or confused with primary or secondary metal inputs to, Aluminium Re-melters/Refiners. Thus unlike for gold, recyclable Aluminium cannot be used as a mechanism to disguise the origin of Bauxite or Alumina inputs to
Aluminium smelters, an issue addressed in the OECD Gold Supplement for gold refiners but which is not relevant to the Aluminium supply chain.

Thus, in recognition of the OECD Guidance principles, the ‘choke point’ or control point for the Aluminium supply chain is deemed to be Aluminium Smelters. In accordance with the OECD Guidance then:

- The focus on collection and sharing of information on Bauxite origin and countries of transit lies largely with the primary production supply chain.
- Once primary Aluminium metal is produced, the focus of companies further down the supply chain shifts to the Due Diligence practices of Aluminium Smelters.

**What information should we collect and share?** Table 4 below sets out how the principles of the OECD Guidance for the collection and flow of information and controls can be reasonably applied in the Aluminium supply chain.

For **Bauxite Mining**, **Alumina Refining** and **Aluminium Smelting**, Information on Bauxite origin and transit should be collected and shared as:

- **Origin**: The specific mine/s and/or the country/countries where the Bauxite was mined.
- **Transit**: A list of any other countries through which the Bauxite ore transited.

The information to be shared with customers or other parties does not need to be disaggregated by supplier, particularly where there are commercial confidentiality concerns. If Bauxite origin and transit locations change regularly, the information can be provided by shipment or periodically as origin or transit arrangements change. If the origin and transit locations remain consistent, the information could be provided to customers annually or on request.

For **Aluminium Re-melting/Refining** and **Post-Casthouse (downstream) companies**, the identity of Aluminium Smelters in your supply chain, and information on their Due Diligence practices, is what you should seek to collect as part of Step 1C.

**Table 4 – Collecting information on Bauxite origin and Aluminium Smelters, depending on your supply chain activity**

<table>
<thead>
<tr>
<th>Bauxite Mining</th>
<th>Alumina Refining</th>
<th>Aluminium Smelting</th>
<th>Aluminium Re-melting/Refining</th>
<th>Post-Casthouse (Downstream)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pass on Bauxite origin/s and any other countries of transit to customers or Traders.</strong></td>
<td>Seek information on Bauxite origin/s and any other countries of transit, by requesting this from your Bauxite suppliers.</td>
<td>Seek information on Bauxite origin/s and any other countries of transit for Bauxite used to produce Alumina, by requesting this from your Alumina suppliers.</td>
<td>If sourcing any primary Aluminium, use best efforts to identify the Aluminium Smelters in your supply chain. Seek to verify that the smelters/s have conducted Due Diligence in accordance with the OECD Guidance. Pass on information to primary Aluminium customers or Traders.</td>
<td>Use best efforts to identify the Aluminium Smelters in your supply chain, including via any Aluminium Re-melters/Refiners that source primary Aluminium. Seek to verify that the smelters/s have conducted Due Diligence in accordance with the OECD Guidance.</td>
</tr>
<tr>
<td>If sourcing any Bauxite from mines outside of your direct control, maintain a clear understanding of origin/s.</td>
<td>Pass on information to Alumina customers or Traders.</td>
<td>Pass on information to primary Aluminium customers or Traders.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How do we work with suppliers to collect this information? As implementation of the OECD Guidance in the Aluminium value chain builds over time, your suppliers will become more familiar with these requests. However unlike for tin, tungsten, tantalum and gold, where supply chain Due Diligence expectations for these metals became embedded in legislation in the US, EU and elsewhere and which helped to drive uptake over a number of years, the Aluminium sector will only begin formally implementing the OECD five-step framework from 2022.

Recognising this context, here’s how you can get started:

- Reference your CAHRAs Policy in communications, contracts, agreements, invoices or other relevant documents
- Contact all relevant suppliers to discuss your CAHRAs Policy and encourage them to ask questions. This will provide an opportunity to understand potential risks or information gaps, as well as assess whether any additional training or capacity-building could be useful
- Where appropriate, work with your suppliers to help them build their own Due Diligence strategies and systems
- Where suppliers are unable or unwilling to provide information, think about the reasons – some may be simpler to resolve than others. Some suggestions include:
  - Where suppliers are unable to get the information from their own suppliers, consider setting up joint meetings or teleconferences
  - Where suppliers don’t want to provide information that is confidential, discuss the possibility of a non-disclosure agreement to manage information sharing and address the purpose and use of the information.
- In practice, the information you want may simply not be available yet, until Due Diligence practices start to build up through a sequence of suppliers, Traders and transporters.
  - If you are starting with very little or no information on your supply chain, you can still demonstrate Conformance with this Criterion by documenting the steps you have taken to seek information and your plans to improve your data over time.

What are some practical methods to collect this information? Various approaches could be used, including:

- Checklists, forms or online data collection tools sent to suppliers
- ASI or other Chain of Custody (CoC) documentation provided by suppliers
- Meetings and teleconferences with suppliers, which smaller companies may find easier or can help initiate discussions and awareness
- For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies that source Casthouse Products, the Aluminium Smelter or secondary producer can usually be identified by a physical stamp or marking imprinted on or attached to the Aluminium.

We are involved in Bauxite Mining, Alumina Refining and/or Aluminium Smelting: should we connect Bauxite origin and transit plus supplier information to our material inputs and outputs?

- Yes. The information you collect under Step 1C will also be important for your customers.
  - Connect this information in your mineral and metal transaction records with:
    - Information about the form, type, and weight of material inputs and associated outputs as appropriate
    - Supplier details, including ‘know your customer’ type information – the identity, principals and operating locations of suppliers of Bauxite and/or Alumina.
For Alumina Refiners and Aluminium Smelters, use quality control processes for receiving Bauxite or Alumina shipments to identify any inconsistencies in the information provided by suppliers which may be relevant to helping you determine Bauxite origin or transit.

Other points to support transparency:
- Cash transactions can be used to undermine transparency. Make and receive payments for minerals and metals through official banking channels whenever they are reasonably available. Avoid cash purchases and ensure that any unavoidable cash purchases are supported by verifiable documentation.
- For Entities engaged in Bauxite Mining, support the implementation of the principles and criteria of the Extractive Industries Transparency Initiative (EITI) as per Criteria 3.3b in the Performance Standard.
- Be sensitive to commercial confidentiality concerns. The OECD Due Diligence Guidance for Responsible Business Conduct includes advice on how to do this, which can include asking for aggregate information rather than specific Business relationships or limiting access to supplier’s sensitive information.
- Make sure you keep Due Diligence information, including Due Diligence processes, findings and resulting decisions, for at least five years. Maintaining this information in an updatable spreadsheet, database or similar will help to enhance accessibility and Due Diligence processes over time.

Step 1D: Strengthen engagement with suppliers
- Seek to influence suppliers to commit to a CAHRAs Policy consistent with the OECD Guidance.
- When possible, incorporate your CAHRAs Policy into contracts and/or agreements with suppliers.
- Communicate your expectations to suppliers that they should undertake supply chain Due Diligence and risk management for risks related to CAHRAs, as set out in Annex II of the OECD Guidance.
- Consider ways that could help support and build capacities of suppliers to improve supply chain Due Diligence and risk management, and thus better contribute to implementation of your CAHRAs Policy.
- Aim to build long-term relationships with suppliers so that responsible sourcing relationships can be embedded in these.
- Where risks are identified that need risk mitigation (see Steps 2 and 3), work with suppliers to design measurable improvement plans. Affected Populations and Organisations, External stakeholders, such as government and civil society, may also be involved where relevant and appropriate.

Step 1E: An effective Complaints Resolution Mechanism
- A Complaints Resolution Mechanism provides an ‘early warning’ system that enables any Affected Populations or Organisation or whistle-blowers to raise concerns about Bauxite extraction, trade, handling and export from CAHRAs. This will enable you to be alerted to risks in your supply chain that may not be picked up in your own risk assessments.
- Your Complaints Resolution Mechanism for CAHRAs can be the same one as (or aligned with) that required under Criterion 3.4 in the ASI Performance Standard. See the Guidance for Criterion 3.4 on principles for designing rights-compatible Complaints Resolutions Mechanisms.
- The ASI Complaints Mechanism may also be used by Stakeholders to voice concerns about CAHRAs in respect of ASI Member activities, and due process will be applied.

For 9.8(b) OECD Step 2 – Identify and assess risks in the supply chain (Criterion 9.8b)
- Step 2 – building on the strong Management Systems and information collected under Step 1 – assesses risks that the Bauxite, Alumina and/or Aluminium that you produce or purchase through your supply chains may be contributing to conflict or serious Human Rights abuses.
- There are two key concepts to support this process:
  - Identifying ‘red flags’, which relies on
Determining which locations of Bauxite origin or transit are Conflict-Affected or High-Risk Areas (CAHRAs)

Red flags - An indicator of a potential risk that triggers a need for enhanced Due Diligence. ASI has adopted the red flags framework from the OECD Guidance 3Ts Supplement, to align with the London Metal Exchange (LME) Policy on Responsible Sourcing of LME-Listed Brands. For the Aluminium value chain, red flags for locations and suppliers are as follows:

<table>
<thead>
<tr>
<th>Location red flags:</th>
<th>Supplier red flags:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Bauxite originates from or was transported via a CAHRA</td>
<td>- Suppliers or other known upstream companies have shareholder or other interests in companies that supply Bauxite from or operate in a red flag location, or</td>
</tr>
<tr>
<td>- Bauxite is claimed to originate from a country that has limited known reserves, likely resources or expected production levels</td>
<td>- They are known to have sourced Bauxite from a red flag location in the last 12 months.</td>
</tr>
<tr>
<td>- Bauxite is claimed to originate from a country in which Bauxite from CAHRAs is known to transit</td>
<td></td>
</tr>
</tbody>
</table>

To be able to identify red flags, you will need to make reasonable determination as to which locations are considered ‘CAHRAs’. This may be straightforward or complex, depending on the nature of your supply chain. In some cases, additional qualified advice or support may help you to make these determinations.

Resources for identifying CAHRAs
Unfortunately, there is no one definitive list of CAHRAs and application of the concept is new to the Aluminium value chain. ASI does not maintain lists of countries or areas that may be considered conflict-free or Conflict-Affected or High-Risk. The nature of conflict is ever-changing; while some conflicts may be country-wide, many conflict-related and high-risk incidents are concentrated on a regional or local level, or involve individual sites, entities, and actors. CAHRAs do not map precisely onto national boundaries, and there can be situations where some parts of a country would be a deemed a CAHRA while other parts would not.

The OECD Guidance and institutions such as the European Union, which has introduced conflict minerals regulation for 3Ts and gold, place the onus on supply chain participants themselves to make reasonable determinations as to whether a location is a CAHRA. The European Union has developed a global map and list of briefs on CAHRA’s that is relevant for 3Ts and gold to support their regulation. This resource, described as ‘indicative and non-exhaustive’, is available at https://www.cahraslist.net/, and is updated quarterly. It does not currently cover bauxite but may be a useful reference point to understand CAHRA risks.

The OECD Guidance definition of a CAHRA highlights key characteristics of these areas relating to conflict, governance and Human Rights. Table 5 below summarises these and identifies some publicly available resources to help you assess the risks of locations you may be sourcing from.

<table>
<thead>
<tr>
<th>Conflict</th>
<th>Governance</th>
<th>Human Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Areas in a state of conflict, including:</td>
<td>Areas with weak or no governance or security, characterised by:</td>
<td>Areas affected by widespread Human Rights abuses and violations of law, including:</td>
</tr>
<tr>
<td>- International conflict</td>
<td>- Political instability or repression</td>
<td>- Torture or cruel and degrading treatment</td>
</tr>
<tr>
<td>- Wars of liberation or insurgencies</td>
<td>- Institutional weakness</td>
<td>- Forced and Child Labour</td>
</tr>
<tr>
<td>- Civil wars</td>
<td>- Insecurity</td>
<td>- Widespread sexual violence</td>
</tr>
<tr>
<td>- Any other armed aggression</td>
<td>- Collapse of civil infrastructure</td>
<td>- War crimes</td>
</tr>
<tr>
<td></td>
<td>- Widespread violence</td>
<td>- Crimes against humanity</td>
</tr>
</tbody>
</table>
### Conflict

- Violations of national or international law

### Governance

- Worldwide Governance Indicators (World Bank)
- Fragile States Index (Fund for Peace)
- Corruption Perception Index (Transparency International)

### Human Rights

- Genocide

#### Open sources:

- Heidelberg Conflict Barometer
- Rule of Law in Armed Conflicts (Geneva Academy)
- Uppsala Conflict Data Program – Georeferenced Event Dataset
- CrisisWatch (International Crisis Group)
- Global Peace Index (Vision of Humanity)
- Armed Conflict Location and Event Data Project

Be aware that under the OECD Guidance, you are responsible for identifying red flags and carrying out a risk assessment for your suppliers – whether or not they belong to any responsible sourcing programs or initiatives.

**Step 2A: Identify risks in the supply chain – ‘red flags’**

- **How do I get started?** Use the information gathered under Management Systems in Step 1 to identify any ‘red flags’. Your position in the supply chain will frame the scope of your risk assessment and any subsequent Due Diligence steps:
  - **For Bauxite Mines**, identify any red flags based on knowledge of your production and transport of Bauxite. If you source Bauxite from other producers, you should also determine whether it has any red flags.
  - **For Alumina Refiners and Aluminium Smelters**, identify any red flags based on Bauxite origin and transit information provided by your suppliers, ‘know your customer’ information about the identity, principals and operating locations of suppliers, and any other information gathering.
  - **For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies**, for the Aluminium Smelters in your supply chain, check whether they have identified, or reasonably should have identified, any red flags in their supply chains. Relevant evidence for the Due Diligence practices of smelters may include:
    - Evidence generated in Step 1, as well as any other information collected by engaging directly with suppliers or desktop research
    - Review of published information on ASI Certification against the Performance Standard (V3) – available on the ASI website
    - London Metal Exchange (LME) Listed Brands and evidence of their compliance with the LME Responsible Sourcing Rules
    - Other comparable programs for supply chain Due Diligence that is in accordance with the OECD Guidance.
    - Companies should verify representations of suppliers with external sources of evidence proportional to risk, in order to make reasonable determinations.

- **Other points to support Step 2A:**
  - Table 5 above provides some specific examples of resources you may find useful in identifying red flags and CAHRAs. In general terms, credible resources may include:
    - Research reports from governments, international organisations, civil society and media
    - Maps, UN reports and UN Security Council sanction lists, OECD reports
    - Relevant industry literature on Bauxite extraction and impacts on conflict and Human Rights
• Information raised through your Complaints Resolution Mechanism.
  • Keep records of how you reviewed and considered credible sources of information on potential CAHRAs and red flags that you can show to an ASI Auditor.
  • Make sure you regularly review and evaluate your risks, especially when forming relationships with new suppliers or when existing suppliers change their sourcing practices.

Next steps:

• For Bauxite Mining, Alumina Refiners and Aluminium Smelters:
  • If you can reasonably determine that no red flags are identified, then these sources can be considered low risk and no additional Due Diligence is required on them at this time. Remember to implement Steps 4 and 5.
  • If red flags are identified, proceed to Step 2B.

• For Aluminium Re-melters/Refiners that source primary Aluminium and Post-Casthouse (downstream) companies:
  • If you can reasonably determine that red flags do not arise for the Aluminium Smelter/s in your supply chain, then no additional Due Diligence is required for these. Remember to implement Steps 4 and 5.
  • If the Aluminium Smelter/s have identified red flags in their Bauxite supply chain, proceed to Step 2B.

• Unable to identify Aluminium Smelters: For Aluminium Re-melters/Refiners that source primary Aluminium and Post-Casthouse (downstream) companies, not knowing the identity of Aluminium Smelters in your supply chain will make it very difficult to assess red flags under Step 2A. Develop a plan to be able to demonstrate measurable improvement in your efforts to identify smelters, so you can improve your Due Diligence over time. For example:
  • Review improvement opportunities and extend your efforts under Steps 1 and 2
  • Where you are unable to identify the smelters in your supply chain, try asking for the Due Diligence information and/or practices of the furthest known company upstream of you
  • Where due to the size of your company or other factors, you find it difficult to identify suppliers upstream from direct suppliers, consider engaging and co-operating with other relevant companies to identify smelters in your supply chain and assess Due Diligence practices.
  • Remember to implement Steps 4 and 5.

• Step 2B: Assess risks of adverse impacts associated with identified ‘red flags’
  • If no risks are identified in Step 2a, then Entities are not required to complete Step 2b.
  • You should consider a ‘risk’ as being any reasonable inconsistency between the information collected above and the following:
    • Your CAHRAs Policy
    • Applicable Law in the countries where your company is headquartered or operates, or in the countries where Bauxite is produced or transported
    • Legal instruments governing company operations and Business relations, such as financial, Contractor and supplier agreements
    • Other relevant international instruments, including those relating to international Human Rights law.
  • Finding a red flag does not necessarily mean that adverse impacts have occurred in your supply chain. Step 2B is the process where you look for the presence of any adverse impacts related to CAHRAs, as triggered by any identified red flags in Step 2A.
What are adverse impacts related to CAHRAs?

Adverse impacts related to mineral supply chains from CAHRAs are outlined in Annex II of the OECD Guidance as the following:

- Serious abuses associated with the extraction, transport or trade of minerals:
  - Any forms of torture, cruel, inhuman and degrading treatment
  - Any forms of forced or compulsory labour
  - Worst forms of Child Labour
  - Other gross Human Rights violations and abuses such as widespread sexual violence
  - War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide

- Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions

- Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain

- Bribery and fraudulent misrepresentation of the origin of minerals

- Money laundering and non-payment of taxes, fees and royalties due to governments.

- The specific responsibilities for assessing the risk that adverse impacts are occurring vary, depending on your supply chain activity:
  - **For Bauxite Mining, Alumina Refiners and Aluminium Smelters**, map the factual circumstances of all red-flag supply chains – see below.
    - Remember that a CAHRA does not necessarily map onto national borders. Where a red-flag location relates to a CAHRA, knowing the specific mine location – not just the country – will be important and enable you to assess the risks of adverse impacts associated with the extraction, transport or trade of Bauxite.
  - **For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies**, further evaluate the Due Diligence and risk mitigation practices of the Aluminium Smelters in red-flag supply chains. Use your best efforts to:
    - Gain more information on their Due Diligence practices
    - Determine whether they have had their Due Diligence practices independently audited against a Standard that is consistent with the OECD Guidance, and where available, review the results. (For the Aluminium supply chain, programs include ASI Performance Standard VI, and other programs and tracks recognised by the London Metal Exchange).
    - Review any on-the-ground assessments that have been undertaken by companies involved in primary Aluminium production in these supply chains (see below).

You should consider a ‘risk’ as being any reasonable inconsistency between the information collected above and the following:

- Your CAHRAs Policy
- Applicable Law in the countries where your company is headquartered or operates, or in the countries where Bauxite is produced or transported
- Legal instruments governing company operations and Business relations, such as financial, Contractor and supplier agreements
- Other relevant international instruments, including those relating to international Human Rights law.

- Where you have identified risks, proceed to Step 3 to design and implement a strategy to respond to identified risks.
Our company is engaged in Bauxite Mining, Alumina Refining and/or Aluminium Smelting: how do we ‘map the factual circumstances’ of red-flag supply chains? Mapping the factual circumstances of red-flag supply chains involves two main activities.

- Undertake an in-depth review of the context of all red-flag locations and the Due Diligence practices of any red-flagged suppliers:
  - Review reports, maps and relevant literature on Bauxite extraction, transport and trade and connections to any of the potential adverse impacts related to CAHRAs
  - Consult with local and central governments, local civil society organisations, Community networks, UN agencies and local suppliers
  - Determine if suppliers have Policies and Management Systems that are consistent with the OECD Guidance and are effective.

- Conduct on-the-ground assessments for red-flagged Bauxite locations and suppliers to generate and maintain information on how suppliers extract, trade, handle and export Bauxite:
  - Ensure that assessors are independent from the activity being assessed and do not have conflicts of interest
  - Ensure the assessors are competent and have appropriate knowledge and skill, including knowledge of Human Rights and conflict-related risks, local language and cultural awareness, and understanding of the Aluminium supply chain
  - Where you can, help organise access to red-flagged locations and suppliers, and make sure that risks to the assessors themselves when carrying out on-the-ground activities in CAHRAs are also considered and mitigated
  - You can carry out on-the-ground assessments independently, but where possible seek to establish joint assessment teams with other companies in your sector, or through an industry association or multi-stakeholder initiative, so as to pool your efforts. Make sure that joint work takes into consideration any circumstances that are specific to your company and that you understand that you retain overall responsibility for your Due Diligence processes
  - Help make on-the-ground assessments available to downstream companies in your supply chains.
What kind of information are we looking for to ‘map the factual circumstances’ of a red-flagged supply chain?

- Location and identity of Bauxite Mines.
- Current production and capacity of mine(s), and where possible, a comparative analysis to identify any discrepancies (for example, recorded production exceeding known capacity).
- Methods and location of Bauxite transportation.
- Identity of all actors in the upstream supply chain, including Bauxite producers, intermediaries, Traders, exporters and re-exporters, logistics and transportation companies, and security providers. For these:
  - Identify the ownership and corporate structure, including corporate officers and directors
  - Identify related Businesses, subsidiaries, parents and affiliates
  - Check government watchlist information (e.g. UN sanctions lists, OFAC Specially Designated Nationals Lists, World-Check search)
  - Identify any affiliation with the government, political parties, military, criminal networks or non-state armed groups.
- Operating licenses for mining and export.
- Taxes, fees or royalties paid to government, and any other payments or compensation made to government agencies and officials, related to the extraction, trade, transport and export of Bauxite.
- Security services provide at mine sites, transportation routes and all points where Bauxite is handled or processed.
- Militarisation of mine sites, transportation routes, and points where Bauxite is traded and exported.
- Payments made to public or private security forces or other armed groups, or any other forms of direct or indirect support.
- Training, screening and security risks assessments of all security personnel, in accordance with the Voluntary Principles on Security and Human Rights.
- Evidence of any serious Human Rights abuses committed by any party in Bauxite Mines, transportation routes and points where Bauxite is traded and/or processed.

You should consider a ‘risk’ as being any reasonable inconsistency between the information above and the following:

- Your CAHRAs Policy.
- Applicable Law in the countries where your company is headquartered or operates, or in the countries where Bauxite is produced or transported.
- Legal instruments governing company operations and Business relations, such as financial, Contractor and supplier agreements.
- Other relevant international instruments, including those relating to international Human Rights law.

Where you have identified risks, Step 3 provides guidance on how to design and implement a strategy to respond to the identified risks.

Other considerations:

- Consider how you can integrate internal Management Systems for relevant ASI Performance Standard Criteria to address specific risks in CAHRAs, which may include but not be limited to:
  - Heightened risks of serious adverse Human Rights impacts (see Criterion 9.1 on Human Rights)
  - Heightened risks of Bribery and Corruption (see Criterion 1.2 on Anti-Corruption)
  - Heightened risks associated with use of Security Forces (see Criterion 9.9 on Security Practice)
  - Heightened risks of Child Labour (see Criterion 10.2) and Forced Labour (see Criterion 10.3)
• If there are FPIC (see Criterion 9.4) processes being undertaken, consider any implications for the “Free” component in the presence of conflict, including military, paramilitary, police or armed security presence in Indigenous Peoples’ territories.
• Do not automatically disengage from a supplier or source if it is deemed high risk or has a red flag.
• First engage with suppliers and adopt risk mitigation strategies where possible and appropriate (Step 3), before considering suspending or terminating a Business relationship.
• Remember that sourcing from CAHRAs can play an important role in supporting livelihoods and economic growth in these areas – when supported by a responsible sourcing program anchored in Due Diligence.

For 9.8(c) OECD Step 3 – Design and implement a strategy to respond to identified risks

- If your Step 2 processes did not identify any actual or potential risks, Criterion 9.8c can be rated as Not Applicable, noting the reason.
- If your Step 2 processes identified actual or potential risks, you will need to design and implement a strategy to respond to these under Step 3, in order to prevent or mitigate adverse impacts.
  - Companies may co-operate on Step 3 actions through joint initiatives. However, companies retain individual responsibility for their Due Diligence and should ensure that any joint work takes into consideration their specific circumstances.
- The OECD Guidance notes that:
  - Responsibility for determining the actions that an individual company undertake in response to identified risks rests with the company’s management
  - The measures that a company takes to conduct Due Diligence should be commensurate to the severity and likelihood of the identified risks
  - Use good faith and reasonable efforts in your Due Diligence, taking into account factors such as the size of your company, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved.

- **Step 3A: Report findings to designated senior management**
  - Outline the information gathered and the actual and potential risks identified from the risk assessment carried out in Step 2 and report this to senior management.

- **Step 3B: Devise and adopt a risk management plan**
  - **Where actual or potential risks are identified under Step 2:** devise a strategy for risk management by either:
    - (i) Continuing trade throughout the course of measurable risk mitigation efforts
    - (ii) Temporarily suspending trade while pursuing ongoing measurable risk mitigation
    - (iii) Or disengaging with a supplier after failed attempts at mitigation or where you deem risk mitigation not feasible or unacceptable.
  - The response you decide on (i, ii or iii) depends on the type of risk identified, as well as your ability to influence the supply chain.
    - Table 6 below provides guidance on the appropriate response in accordance with the OECD Guidance Annex II Model Supply Chain Policy, which your CAHRAs Policy in Step 1A should be aligned with.
    - Factors such as the severity and probability of an adverse impact are important in determining the scale and complexity of the response.
    - If you have identified an actual adverse impact you will need to take steps to resolve the issue and mitigate the impact. Serious impacts require immediate action.
    - If you have not identified an actual impact but can see that there is potential for an adverse impact, you will need to take preventive measures.
### Table 6 – Appropriate response where you identify a reasonable risk of adverse impacts under Step 2 (based on the OECD Guidance Annex II Model Supply Chain Policy)

<table>
<thead>
<tr>
<th>Identified risk of adverse impact</th>
<th>Appropriate response (Annex II)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious abuses associated with the extraction, trade and transport of Bauxite/minerals:</td>
<td>For Bauxite Mining, Alumina Refiners and Aluminium Smelters, take immediate steps to suspend or disengage from the relevant suppliers. Mitigate adverse impacts where possible.</td>
</tr>
<tr>
<td>• Any forms of torture, cruel, inhuman and degrading treatment</td>
<td>For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies: take immediate steps to disengage with an Aluminium Smelter, if the smelter has not suspended or discontinued engagement with its suppliers where reasonable risks exist of serious abuses associated with the extraction, trade and transport of Bauxite, or direct or indirect support to non-state armed groups.</td>
</tr>
<tr>
<td>• Any forms of Forced Labour</td>
<td></td>
</tr>
<tr>
<td>• Worst forms of Child Labour</td>
<td></td>
</tr>
<tr>
<td>• Other gross Human Rights violations and abuses such as widespread sexual violence</td>
<td></td>
</tr>
<tr>
<td>• War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.</td>
<td></td>
</tr>
<tr>
<td>Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions</td>
<td>Continue or temporarily suspend trade with the relevant suppliers and implement measurable mitigative actions. Suspend or disengage if mitigation measures are ineffective.</td>
</tr>
<tr>
<td>Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain</td>
<td></td>
</tr>
<tr>
<td>Bribery and fraudulent misrepresentation of the origin of minerals</td>
<td>Support efforts or take steps to contribute to the effective elimination of money laundering. Support efforts for disclosure in accordance with the principles of the Extractive Industries Transparency Initiative (EITI).</td>
</tr>
<tr>
<td>Money laundering and non-payment of taxes, fees and royalties due to governments.</td>
<td></td>
</tr>
</tbody>
</table>

- When designing mitigation measures after identifying an actual or potential risk:
  - Consult OECD Guidance Annex III Suggested Measures for Risk Mitigation and Indicators for Measuring Improvement
  - Reach out to companies and organisations in your supply chain that can most effectively and directly mitigate the identified risk
  - Where possible and appropriate, consult affected Stakeholder groups – such as local and central government authorities, international or civil society organisations, and affected third parties – before agreeing a risk mitigation plan
  - Recognise that your plan may need to adapt to changing circumstances (see Step 3D).
- Consider how to further strengthen engagement with high-risk suppliers and enhance internal systems established under Step 1.
- In all cases, develop a risk management plan that is appropriate to your size and realistic ability to implement it.

**Step 3C: Implement the risk management plan and track performance**

- Implement the risk management plan developed in Step 3B and monitor and track performance of risk mitigation efforts.
  - Where appropriate, co-operate or consult with Aluminium Smelters, common suppliers, local and central authorities and other relevant Affected Organisations and Populations in CAHRAs.
  - For companies engaged in Bauxite Mining, Alumina Refining and/or Aluminium Smelting, consider establishing or supporting Worker or Community-based networks to help monitor risk mitigation.
For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies that have Aluminium Smelters engaging in risk mitigation in their supply chain, track the implementation of their risk management plans.

- Build and/or exercise leverage over the actors in the supply chain who can most effectively and most directly prevent and mitigate the risks of adverse impacts and help to improve performance. For example:
  - Include Due Diligence performance into contracts (where applicable)
  - Work through industry associations and multi-stakeholder initiatives
  - Support development and implementation of capacity building and training
  - Take due account of the social and economic effects of Due Diligence and risk mitigation efforts, particularly on developing countries.

- Report risk management and mitigation performance regularly to designated senior management.
  - Measurable risk mitigation should result in significant and measurable improvement towards eliminating the identified risks within six months from the adoption of the risk management plan.
  - If there is no such measurable improvement within six months companies should suspend or discontinue engagement with the supplier for a minimum of three months.
  - Remember that for serious abuses, immediate suspension or disengagement with suppliers would apply, but mitigation efforts can also be implemented if appropriate.
  - Consider whether there are circumstances which require your efforts to be adjusted or strengthened (Step 3D).

Step 3D: Undertake additional assessments for risks requiring mitigation, or after a change of circumstances

- Supply chain Due Diligence is a dynamic process and requires on-going risk monitoring. Continue to monitor:
  - The identified risks to evaluate your plan’s performance and effectiveness
  - The risk mitigation efforts being undertaken by others where relevant
  - Evolving information about the situation and the CAHRA where relevant.

- Adapt your risk management strategy to any changes in circumstances – whether on the ground or in your supply chain (such as changed suppliers).
  - Remember that such changes may mean you need to update or undertake additional Step 2 assessments, and/or update your Step 3 risk management plan, to identify, prevent or mitigate adverse impacts.

- If after reasonable efforts, your risk management and mitigation plan does not produce the desired outcomes, consider disengaging from the relevant supplier.

For 9.8(d) OECD Step 4 – Carry out independent third-party audit of Due Diligence practices (Criterion 9.8d)
- Your Due Diligence practices will be audited as part of the normal process for ASI Certification against the ASI Performance Standard, which means that 9.8d itself will be rated as a Conformance. Conformance ratings for the other parts of 9.8 will then be determined by ASI Auditors.
  - ASI recognises that the OECD Guidance is new for most Aluminium supply chain participants. The OECD Guidance is being formally implemented for the first time in the Aluminium supply chain as follows:
    - For ASI Members, the ASI Performance Standard V3 is available for implementation from February 2022 (target publication month and year, final date tbc). In 2019, ASI committed to align with the OECD Guidance as part of the 2020-2021 Standards Revision. ASI’s OECD Alignment Assessment, designed to assess alignment with the OECD Guidance, is scheduled to be concluded before December 2022.
    - The London Metal Exchange (LME) Responsible Sourcing Rules for listed brands will apply to all brands listed for good delivery on the LME against physically settled contracts for Aluminium (LME Aluminium, LME Aluminium Alloy, and North American Special Aluminium Alloy Contract (“NASAAC”).
    - LME listed brands choosing Track A (audit against a recognised alignment-assessed standard) must complete their first audit by 31 December 2023. ASI’s status as an LME recognised Track A
standard will be published on the LME website, in accordance with the outcomes of the OECD Alignment Assessment.

- LME listed brands choosing Tracks B or C (audited or published red-flag assessment track) must submit their first audit results or completed LME red-flag assessment to LME by 30 June 2022, for a first reporting period of January-December 2021 (or adjusted to align with their regulatory reporting year).

  - Other programs may also be developed to implement the OECD Guidance in the Aluminium supply chain.

- During the ASI Performance Standard Audit, ASI Auditors will look to verify that you have made reasonable and good faith efforts to implement Criterion 9.8 based on a continual improvement approach.
  - If your risk-based Due Diligence processes are still at an early stage of development and implementation – resulting in little information to date on sources – conformance can still be achieved where you can show you have effective Management System processes in place and plans for improvement.
  - Subsequent audits will then assess whether you can demonstrate that improvement over time.

- As per the OECD Guidance, you can assist the audit process by:
  - Allowing access to relevant company sites, personnel, and documents and records for your Due Diligence processes.
  - For Bauxite Mining, Alumina Re-melters/Refiners and Aluminium Smelters in connection to red flags and CAHRAs, facilitating access to suppliers, transporters, and other relevant Affected Populations and Stakeholders, including on-the-ground assessment teams where applicable.

- For Aluminium Smelters, which are considered a ‘choke point’ under the OECD Guidance as a control point between mines and metal production and a particular focus of OECD Step 4 audits, it is important to note that the Audit Scope should include all Business activities and Management Systems that implement Due Diligence for Bauxite from CAHRAs.

- For Aluminium Re-melters/Refiners that source primary Aluminium, and Post-Casthouse (downstream companies), outside of your own ASI Audit, consider how you could encourage Aluminium Smelters to carry out an independent third-party ‘Step 4’ audit, against a standard or program that is consistent with the OECD Guidance (such as ASI’s or LME’s programs).

For 9.8(e) OECD Step 5 – Report annually on supply chain Due Diligence (Criterion 9.8e)

Public reporting and disclosure promote transparency and generate public confidence in the measures that companies are taking to address risks associated with CAHRAs. Annual reporting enables Stakeholders to assess how Due Diligence processes are implemented over time.

- Publicly report on your Due Diligence systems and practices for Criterion 9.8 at least once per year. This could be through one or more of:
  - Your website
  - Annual sustainability or corporate responsibility reports
  - Aligned with your other reporting processes under Criterion 3.1 (Sustainability Reporting).

- Be practical in how you format your Due Diligence reporting, and match the level of detail with:
  - The level of risk in your supply chain
  - The scale and impacts of your Business.

- See Table 7 for what to include in your reporting under OECD Step 5, according to the OECD Guidance.

Table 7 – What to include for annual reporting under OECD Step 5

<table>
<thead>
<tr>
<th>OECD Step</th>
<th>Reporting information to include</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Bauxite Miners, Alumina Refiners and Aluminium Smelters</td>
<td></td>
</tr>
<tr>
<td>Step 1: Management systems</td>
<td>Summarise or link to your CAHRAs Policy</td>
</tr>
<tr>
<td>Step 2: Risk assessment</td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Summarise steps taken to identify red flag locations or suppliers</td>
<td></td>
</tr>
</tbody>
</table>

*Where also carrying out Step 2B:*
- Describe any red flags identified in your supply chains and steps taken to map the factual circumstances
- Outline the methods, practices and information yielded by on-the-ground assessment teams
- Disclose any high risks identified (within your existing supply chains)

<table>
<thead>
<tr>
<th>Step 3: Response</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Summarise steps taken to manage risks and mitigate adverse impacts</td>
<td></td>
</tr>
</tbody>
</table>
- Disclose efforts to monitor and track performance for risk mitigation, and evaluation of measurable improvement after six months
- Outline the number of instances where you decided to disengage with suppliers and/or supply chains (without necessarily disclosing the identity of suppliers)

For Aluminium Re-melters/Refiners that source Primary Aluminium and Post-Casthouse (downstream) companies

<table>
<thead>
<tr>
<th>Step 1: Management systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Summarise or link to your CAHRAs Policy</td>
<td></td>
</tr>
</tbody>
</table>
- Explain the management structure and responsibilities for the company’s Due Diligence
- Describe your processes for information collection and record-keeping

<table>
<thead>
<tr>
<th>Step 2: Risk assessment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Summarise steps taken to engage with suppliers and identify Aluminium Smelters in your supply chain</td>
<td></td>
</tr>
</tbody>
</table>
- Describe how you assessed these smelters’ Due Diligence practices

*Where also carrying out Step 2B:*
- Summarise your methods for supply chain risk assessments
- Disclose any high risks identified (within your existing supply chains)

<table>
<thead>
<tr>
<th>Step 3: Response</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Summarise steps taken to manage risks and mitigate adverse impacts</td>
<td></td>
</tr>
</tbody>
</table>
- Disclose efforts to monitor and track performance for risk mitigation, and evaluation of measurable improvement after six months
## Overall summary of the OECD five-step framework and checklist:

<table>
<thead>
<tr>
<th>OECD Step</th>
<th>Checklist</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td>Bauxite Mining, Alumina Refiners and Aluminium Smelters</td>
<td>Aluminium Re-melters/Refiners sourcing Primary Aluminium, and Post-Casthouse (downstream) companies</td>
</tr>
<tr>
<td>✓ Have you developed a CAHRAs Policy and made it publicly available?</td>
<td>✓ Have you identified the Aluminium Smelters in your supply chain?</td>
<td></td>
</tr>
<tr>
<td>✓ Have you communicated the Policy internally and with suppliers?</td>
<td>✓ Are you satisfied that the smelters in your supply chain have carried out Due Diligence in a way that is consistent with the OECD Guidance?</td>
<td></td>
</tr>
<tr>
<td>✓ Have you made a senior manager responsible for your Due Diligence?</td>
<td>✓ If you are unable to identify the smelters in your supply chain yet, have you made plans to address this over time?</td>
<td></td>
</tr>
<tr>
<td>✓ Have you made the necessary resources available to support Due Diligence?</td>
<td>✓ Where there are ‘red flags’ in your supply chain, does the Due Diligence information provide adequate detail on the circumstances?</td>
<td></td>
</tr>
<tr>
<td>✓ Have you developed systems and processes for collecting information from suppliers and sharing information with customers?</td>
<td>✓ If there are no red flags identified, proceed to Step 4.</td>
<td></td>
</tr>
<tr>
<td>✓ Do you have a complaints or grievance mechanism in place?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Step 2** | | |
| ✓ Have you identified any ‘red flags’ in your supply chain? | ✓ Have you identified the Aluminium Smelters in your supply chain? |
| ✓ If yes, have you mapped the factual circumstances of these red flags? | ✓ Are you satisfied that the smelters in your supply chain have carried out Due Diligence in a way that is consistent with the OECD Guidance? |
| ✓ From this, have you identified any actual or potential risks? | ✓ If you are unable to identify the smelters in your supply chain yet, have you made plans to address this over time? |
| ✓ If there are no red flags identified, proceed to Step 4. | ✓ Where there are ‘red flags’ in your supply chain, does the Due Diligence information provide adequate detail on the circumstances? |

| **Step 3** | (actual or potential risks identified) | |
| ✓ Have you shared the results of your risk assessment with senior management? | ✓ Are you prepared to be audited against Criterion 9.8 as part of the ASI Audit? |
| ✓ Have you outlined your response to identified risks in a risk management plan? | ✓ Have you encouraged the smelters in your supply chain to be audited against a standard that is consistent with the OECD Guidance? |
| ✓ Have you strengthened engagement with suppliers? | |
| ✓ Are you monitoring the performance of your risk mitigation efforts? | |
| ✓ Are you adapting your risk assessment and management plan to changing circumstances? | |

| **Step 4** | | |
| ✓ Are you prepared to be audited against Criterion 9.8 as part of the ASI Audit? | |
| ✓ Are you reporting publicly, on at least an annual basis, on your implementation of the OECD Guidance? | |

- Some of the worst human rights abuses involving business occur amid conflict over the control of territory, resources or a government itself – where the human rights regime cannot be expected to function as intended. Note that operations are not necessarily complicit in conflict or human rights abuses if they are located in a conflict-affected or high-risk area.

- Frameworks and legislation were initially developed to address tin, tungsten, tantalum and gold (also known as ‘conflict minerals’ and ‘3TG’). However, in 2016, the OECD Due Diligence Guidance (see below), the primary reference on this issue, was updated to clarify that its risk-based approach applies to all mineral resources.
Companies must ensure that they do not contribute to conflict, either through their own activities or directly linked to their operations, products or services through their business relationships.

- Consider the risks of operating in conflict-affected or high-risk areas.
- Integrate conflict-sensitive sourcing commitments into your company’s Code of Conduct (criterion 1.3), Environmental, social and governance policy (criterion 2.1), and/or human rights policy (criterion 9.1).
- The obligation to avoid contributing to conflict should be a component of human rights due diligence (criterion 9.1) and should specifically cover the risk of any direct or indirect support to illegal armed groups, who are often the perpetrators of serious human rights abuses.
- Where public or private security forces are used, assess the risks of the security forces contributing to conflict or adverse human rights abuses — see also criteria 9.9 below.

The first step is to identify any conflict-affected or high-risk areas where you may have operations or direct suppliers. Note that an area may be a region, a country, an area within a country, or an area that crosses one or more county boundaries. If you are unsure which areas may be conflict-affected or high-risk, seek guidance from:

- Heidelberg Institute Conflict Barometer
- UN Security Council Resources (noting any applicable UN sanctions)
- UN Peacekeeping Operations
- US State Department Country Reports on Human Rights Practices
- Uppsala Conflict Data Program
- International Alert
- International Crisis Group
- Office of the High Commissioner Human Rights conflict guidance
- Where applicable, your own in-country risk assessments and/or incident monitoring and reporting.

Once you have identified any relevant areas where you operate or source directly, use a risk assessment or due diligence process to document and review the heightened risks of adverse human rights impacts and/or contributing to conflict in these areas. The level of detail in the due diligence should be commensurate with the level of risks, based on current social or political conditions, and/or proximity of operations to existing or recent conflict, and/or the complexity and nature of the company’s local suppliers.

Review the general 5-step approach contained in Annex 1 of the OECD Due Diligence Guidance:

- Establish strong company management systems
- Identify and assess risk in the supply chain
- Design and implement a strategy to address identified risks
- Independent third-party audits of supply chain due diligence at identified points in the supply chain (for 3TG, these are smelters/refiners, and a number of industry programs co-ordinate such audits)
- Report on supply chain due diligence

If you are operating in a conflict-affected or high-risk area:

- Check that systems are in place to identify all illegal armed groups and their affiliates in the conflict-affected area, and establish systems to prevent payments, logistical assistance or equipment being provided.

If you are sourcing minerals directly from a conflict-affected or high-risk area:

- Assess the risks of the supplier contributing to conflict or adverse human rights abuses, particularly the risk of them providing direct or indirect assistance to illegal armed groups.
- Determine whether the identified risks can be mitigated by continuing, suspending or terminating the relationships with the supplier(s).

Wherever possible, integrate steps to address identified risks with implementation of related ASI Performance Standard criteria:

- Consider heightened risks of bribery and corruption in conflict-affected and high-risk areas (see criterion 1.2 on Anti-Corruption)
Consider heightened risks associated with the use of security forces (see criterion 9.9 on Security Practice).

Consider heightened risks of Child Labour (criterion 10.2) and Forced Labour (criterion 10.3) in these areas.

If there are FPIC (criterion 9.4) processes being undertaken, consider any implications for the “Free” component in the presence of conflict, including military, paramilitary, police or armed security presence in Indigenous peoples’ territories.

When operating in, or sourcing from, a conflict-affected or high-risk area, companies should publicly report on their supply chain due diligence policies and practices (relevant to criterion 3.1 on Sustainability Reporting).

If due diligence identifies any contributions to armed conflict or serious human rights abuses, then companies must immediately seek to remediate the adverse impacts (see criterion 9.1(b) on Human Rights Due Diligence).

For more guidance on conflict-affected and high-risk areas, consult available references including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High Risk Areas (3rd edition, 2016), the UN Global Compact Guidance on Responsible Business in Conflict-Affected and High-Risk Areas (2010), and the Voluntary Principles on Security and Human Rights.

For more guidance on conflict-affected and high-risk areas, consult available references including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High Risk Areas (3rd edition, 2016), the UN Global Compact Guidance on Responsible Business in Conflict-Affected and High-Risk Areas (2010), and the Voluntary Principles on Security and Human Rights.

9.9 Security practice

In line with recognised standards and good practices, the Entity shall respect Human Rights in its involvement with public and private, including in-house, and public security providers, respect Human Rights in line with recognised standards and good practices.

Application:

- This Criterion applies to all Facilities.

Background:

- The primary role of security providers is the protection of people, property and/or assets. Potential security threats include general theft, fraud, violent disturbances, sabotage of infrastructure, illegal mining, organised theft of company product or supplies, and kidnapping, intimidation or assassination of staff.

Points to consider in implementing Criterion 9.9:

- Commensurate with the size and scale of security at an operation, consider ASI Member operations should:
  - Assess the risks of violence
  - Where security personnel are engaged, screening in-house, contracted, and public security for complicity in past Human Rights violations
  - Hiring and contracting only unarmed security
  - Training private security and public security (where public security is called in to assist in operations) in de-escalation and rights-respectful security practices
  - Prohibiting the use of deadly force except to prevent immediate loss of life
  - Establishing a grievance mechanism for complaints against security practices and personnel
  - Investigate all allegations of Human Rights abuses by security personnel. (adapted from EBRD Standard)

- Where public or private security forces are used, consider a written Policy or agreement should be established on the conduct of security personnel.
  - It should establish the importance of respect for Human Rights, the boundaries of security activities, appropriate Procedures for managing security issues and conflicts, and the consequences of any Human Rights abuses. This could be stand-alone, or part of a broader Policy on Human Rights (see Criterion 9.1), depending on the use of security providers and associated risks.
Certain situations may require that security personnel be armed, and this may be determined by the security provider in accordance with their own risk assessments. Any armed personnel must be properly trained and licensed in accordance with Applicable Law.

- Avoid public or private security forces that have been credibly implicated in Human Rights abuses. Regularly review internal security personnel and providers for any emerging risks.
- Make your Policy public and/or inform security providers, Stakeholders and host governments of your commitments, as appropriate.
- Put arrangements in place for monitoring performance against the Policy, and for investigations and disciplinary actions, which may include reporting to relevant authorities.

- In sectors such as mining, refining and/or smelting, the Voluntary Principles on Security and Human Rights were developed to guide companies in maintaining the safety and security of their operations within a framework of respect for Human Rights. These could also be considered the relevant ‘recognised standards and good practices’ referred to in Criterion 9.9.
  - The Principles address risk assessment, relations with public security and relations with private security.
  - They call for a regularly updated security risk assessment, and the engagement of local communities in security issues.
  - They stipulate that private security should only provide preventative and defensive services and should not engage in activities exclusively the responsibility of state military or law enforcement authorities.
  - Adequate and effective training of security personnel should be in place on the relevant Principles and the company’s own Policies regarding appropriate conduct and the local use of force.

- Additional considerations:
  - The presence of security providers should be addressed in Human Rights Impact Assessments, including potential impacts on women.
  - Any new or expanded presence of armed security or the military (and the location of any associated camps) in Indigenous Peoples territories must be addressed as part of FPIC processes (see Criterion 9.4).

10. Labour Rights

**Principle**

The Entity 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.

**Related Criteria**

9.1 Human Rights Due Diligence  
11.3 Employee Engagement on Health and Safety

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
<th>Applicability of Performance Standard Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite Mining</td>
<td>10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8</td>
</tr>
<tr>
<td>Alumina Refining</td>
<td></td>
</tr>
<tr>
<td>Aluminium Smelting</td>
<td></td>
</tr>
<tr>
<td>Aluminium Re-melting/Refining</td>
<td></td>
</tr>
<tr>
<td>Casthouses</td>
<td></td>
</tr>
<tr>
<td>Semi-Fabrication</td>
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</tr>
<tr>
<td>Material Conversion</td>
<td></td>
</tr>
<tr>
<td>Other manufacturing or sale of products containing Aluminium</td>
<td></td>
</tr>
</tbody>
</table>

**Code:**

Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities, see the ASI Assurance Manual.

**Background**

Decent work has become a universal objective and has been included in major Human Rights declarations, UN Resolutions and outcome documents from major conferences, including the Universal Declaration of Human Rights (1948), the World Summit for Social Development (1995), and the UN’s 2030 Agenda for Sustainable Development (2015).

The International Labour Organisation (ILO) has set four pillars for their decent work agenda, with gender equality as a cross-cutting objective:

- Creating jobs – an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods
- Guaranteeing rights at work – to obtain recognition and respect for the rights of Workers. All Workers, and in particular disadvantaged or poor Workers, need representation, participation, and laws that work for their interests
- Extending social protection – to promote both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare
- Promoting social dialogue – involving strong and independent Workers’ and employers' organisations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

The ILO ‘Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy’ (MNE Declaration) is the only ILO instrument that provides direct guidance to enterprises on social Policy and...
inclusive, responsible and sustainable workplace practices. It is the only global instrument in this area that was elaborated and adopted by governments, employers and Workers from around the world. Its principles cover areas such as employment, training, conditions of work and life, and industrial relations as well as general Policies. All principles build on International Labour Standards (ILO Conventions and recommendations). The MNE Declaration facilitates outreach and understanding of the decent work agenda in the private sector, as highlighted in the ILO Declaration on Social Justice for a Fair Globalization. Voluntary initiatives founded on the principles and conventions of the ILO include SA8000 and the ETI Base Code.

Key Concepts

Child Labour – Work that deprives children of their childhood, their potential and their dignity, and that is harmful to their social, physical and mental development. It refers to work that is mentally, physically, socially or morally dangerous and harmful to children, and interferes with their school by depriving them of the opportunity to attend school, obliging them to leave school prematurely, or requiring them to attempt to combine school attendance with excessively long and heavy work. (Adapted from International Labour Organisation – What is Child Labour)

Collective Bargaining – A process through which employers (or their organisations) and workers’ associations (or in their absence, freely designated workers’ representatives) negotiate terms and conditions of work. (Adapted from ILO/IFC Better Work – Guidance Sheet – Freedom of Association)

Complaints Resolution Mechanism – A formal process that can be used by individuals, Workers, Communities and/or civil society organisations to raise concerns about Business activities and operations as a means of access to remedy. (Adapted from Human Rights and Grievance Mechanisms)

Debt Bondage is the status or condition arising from a pledge by a debtor of his personal services or of those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined. (ILO Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 1957)

Discrimination – Where people are treated differently because of certain characteristics – such as race, ethnicity, caste, national origin, disability, gender, sexual orientation, Labour Union membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status or age or any other applicable prohibited basis – which results in the impairment of equality of opportunity and treatment. (Adapted from ILO/IFC Better Work – Guidance Sheet – Discrimination)

Forced Labour – All work or service which is exacted from any person under the menace of any penalty and for which the said person had not offered himself voluntarily. This includes any work or service that is demanded as a means of repayment of debt. (Adapted from ILO/IFC Better Work – Guidance Sheet – Forced Labour)

Freedom of Association – The right of all Workers, without distinction whatsoever, to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation. (Adapted from ILO Better Work – Guidance Sheet – Freedom of Association)

Hazardous Child Labour is work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182). ILO Recommendation 190 notes the following should be considered when determining whether work is Hazardous Child Labour:
(a) Work which exposes children to physical, psychological or sexual abuse
(b) Work underground, under water, at dangerous heights or in confined spaces
(c) Work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads

(d) Work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health

(e) Work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

**Human Trafficking** – The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Human Trafficking can lead to Forced Labour. Human trafficking is also known as ‘modern slavery’. (Adapted from UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, 2000)

**ILO Convention C29** – on Forced Labour (1930), along with Protocol P29 (2014) to this Convention

**ILO Convention C87** – on Freedom of Association and Protection of the Right to Organise (1948)

**ILO Convention C95** – on the Protection of Wages (1949)

**ILO Convention C87** – on Equal Remuneration (1951)

**ILO Convention C100** – on Abolition of Forced Labour (1957)

**ILO Convention C111** – on Discrimination (Employment and Occupation) (1958)

**ILO Convention C138** – on Minimum Age (1972)

**ILO Convention C182** – on Worst Forms of Child Labour (1999)

Together these 8 conventions are known as ILO ‘core conventions’, and these issues (Forced Labour, Child Labour, Freedom of Association and Right to Collective Bargaining, and Non-Discrimination) are also addressed in the ILO 1998 Declaration of Fundamental Principles and Rights at Work.

**International Labour Organisation (ILO)** – A tripartite UN agency, established in 1919, that brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men. (Adapted from the)

**Labour Union** – A voluntary association of Workers organised for occupational purposes with the aim of furthering and defending the interests of Workers. May also be called a trade union, or workers organisation. (Adapted from SA8000:2014)

**Migrant Worker** – A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national. (Adapted from the UN Convention on the Rights of Migrants)

**Overtime** – The hours worked in addition to those in the normal work week and which should be voluntary. (Adapted from Responsible Jewellery Council Code of Practices 2013)

**Recruitment Fees, Costs and Charges** – any fees or costs incurred in the recruitment process in order for Workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection. (ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs)

**Remuneration** – Amounts paid by employers to Workers. It includes wages or salaries and any other benefits in cash or in kind. (Adapted from ILO/IFC Better Work – Guidance Sheet – Compensation)

**Workers** – includes employees (individuals who have entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied and whether oral or in writing, or as defined
by Applicable Law; and Contractors (an individual, company or other legal entity that carries out work or performs services pursuant to a contract for services). For the avoidance of doubt, Workers include Migrant Workers. (Adapted from Responsible Jewellery Council Code of Practices 2013)

**Working Time** – The time in which the persons employed are at the disposal of the employer. (Adapted from ILO/IFC Better Work — Guidance Sheet — Working Time)

**Worst Forms of Child Labour** is defined under ILO Convention 182 as:

- (a) All forms of slavery — including the trafficking of children, Debt Bondage, forced and compulsory labour, and the use of children in armed conflict
- (b) The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic purposes
- (c) The use, procuring or offering of a child for illicit activities, in particular the production and trafficking of drugs
- (d) Work which is likely to harm the health, safety or morals of the child as a consequence of its nature or the circumstances under which it is carried out.

**Implementation**

The “Implementation” section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

**10.1 Freedom of Association and Right to Collective Bargaining.**

The Entity Shall:

a. Respect the rights of Workers to **form or join Labour Unions or other Associations to Collective Bargain** within the bounds of Applicable Law. The decision whether to join a Labour Union or other association shall be made solely by the Worker, associate freely in Labour Unions, seek representation and join Workers’ councils without interference, in line with the ILO Conventions C87 and C98.

b. Respect the rights of Workers to Collective Bargaining, participate in any Collective Bargaining process in good faith, and adhere to Collective Bargaining agreements where such agreements exist.

c. Respect that Labour Unions or other associations have the right to:

i. Develop their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes to the extent possible under Applicable Law.

ii. Organise.

iii. Within the bounds of Applicable Law, Collectively Bargain on behalf of the Workers.

b.d. Where an Entity operates in a country where Applicable Law restricts the right to Freedom of Association and Collective Bargaining: **facilitate the involvement of Workers in industrial relations of the Facility through support** alternative means of association for Workers that are permitted under Applicable Law. These alternative means shall, at a minimum, ensure a climate free of violence, pressure, fear and threats.

**Application:**

- Criterion 10.1(a)(b) and (c) apply only in Countries where the right to Freedom of Association and Collective Bargaining are not restricted.
- Criterion 10.1(d) applies only in Countries where the right to Freedom of Association and Collective Bargaining are restricted.
Background:

- At work, Freedom of Association means the right to freely form Labour Unions or Workers organisations, without the interference of the employer.
  - Workers’ representatives need to have access to Facilities needed to carry out their functions in the workplace. This includes access to designated non-work areas during organizing efforts for the purposes of communicating with Workers.
  - Companies need to remain neutral in any legitimate unionizing or Worker organizing effort; this means not producing or distributing material meant to disparage legitimate Labour Unions; not establishing or supporting a company union for the purpose of undermining legitimate Worker representation; and not imposing sanctions on Workers’ organisations participating in a legal strike.
  - Upon employment, companies need to inform Workers of their rights under Applicable Law and employment law and any applicable collective agreements; and that they are free to join a Workers’ organization of their choosing without any negative consequences or retaliation.
  - Those Workers who do not wish to join such organisations also have their rights protected, and may not be coerced into doing so against their will.
  - Freedom of Association does not mean that employers should organise workforces or invite Labour Unions into the workplace. It means that employers must not interfere in a Worker’s decision whether to join a Labour Union. Not only are Workers free to form or join organisations of their own choosing (freedom of choice), they are also free to determine all aspects of their Policies, Programmes, strategies, etc., within the limits of the law, and without employer interference. Note that employers being asked to provide general administrative or logistical support would not be considered ‘interference’.
  - In addition, employers must not discriminate against the Worker for their choice. ILO Convention No. 98 includes protection against anti-union Discrimination. Anti-union Discrimination includes any action that makes a Worker’s employment dependent on giving up Labour Union membership or not joining a Labour Union. It also includes actions that cause the dismissal or prejudice a Worker because of Labour Union membership or participation in Labour Union activities.

- The right to Freedom of Association is proclaimed in the Universal Declaration of Human Rights. Within the ILO framework, it is considered an enabling right, meaning that it enables Workers and employers to protect and advance their interests in other categories of labour and employment issues. This gives Freedom of Association an important place among ILO standards.

Points to Consider in Implementing Criterion 10.1:

For 10.1(a),(b) and (c):

- Collective Bargaining is a voluntary process that takes place between representatives of Workers and representatives of employers. It usually focuses on the negotiation of terms and conditions of employment, such as wages, working hours, conditions, grievance Procedures, and the rights and responsibilities of each party. Once a collective bargaining agreement is reached – whether at a company, sector or national level – it should be implemented within the Business.
  - When participating in collective bargaining, the employer should negotiate and bargain in good faith, which involves a willingness to discuss, compromise and reach a mutually agreed solution.
  - Companies need to engage with Workers’ representatives and Workers’ organisations, and provide them with information needed for meaningful negotiation in a timely manner.
  - Where a company is a party to a collective bargaining agreement with a Workers’ organization, the terms of the agreement need to be respected.
  - Short-term contracts or other measures are not to be used to undermine a collective bargaining agreement or Worker organizing effort, or to avoid obligations to Workers under Applicable labour and social security Laws and regulations.
  - Hiring of replacement Workers should not be used as a strategy to prevent or break up a legal strike, support a lockout, or avoid negotiating in good faith. However, replacement Workers may be used to
ensure that critical maintenance, health and safety, and environmental control measures are maintained during a legal strike.


For 10.1(d)

- How Freedom of Association and the right to Collective Bargaining are specifically applied in practice is set through Applicable Law and may vary across jurisdictions.
  - Countries where Freedom of Association is currently restricted by Applicable Law include but are not limited to: the Gulf States, including Qatar, Saudi Arabia, and United Arab Emirates where Labour Unions are banned completely; and China and Vietnam, where Labour Unions are government controlled and not independent (Sedex Supplier Workbook, Chapter 1.3 Freedom of Association and Collective Bargaining, 2013).
  - In some countries, Freedom of Association may have restrictions in special economic zones, or for some categories of Workers such as Migrants. In these types of situations, employers should consider how to engage with freely elected representatives of the workforce in internal committees dealing with such issues as health and safety, Harassment or Migrant Workers’ housing.
  - Where the right to Freedom of Association and Collective Bargaining is restricted, employers shall respect and support legal alternative means for Workers to associate. Companies must not pressure Workers to join a company-controlled organisation in place of an organisation created and controlled by Workers.

- Activities that could hinder Freedom of Association and the right to Collective Bargaining, include the employer:
  - Establishing or supporting a company union for the purpose of undermining legitimate Worker representation
  - Opposing a legitimate unionising or Worker-organisation effort
  - Producing and/or distributing materials meant to disparage legitimate Labour Unions
  - Discriminating against Labour Unions or their affiliate Workers
  - Imposing sanctions on Workers who are organising a strike or participating in a strike
  - Hiring replacement Workers in order to prevent or break up a legal strike (with the exception of the maintenance of critical health and safety, and environmental control measures, or any other legally prescribed activities to be maintained)
  - Supporting a lockout or avoiding negotiating in good faith.

- For 10.1(d) in regions where Freedom of Association and the Right to Collective Bargaining are limited by Applicable Law the Entity shall support alternative means of association for Workers. Some possible means that may be utilized include:
  - Joint health and safety committees
  - Worker representatives who liaise between Workers and management (these representatives shall not be appointed by management)
  - Methods for Workers to anonymously raised concerns (i.e. an anonymous phone line or paper suggestion boxes)
  - Employee ‘town hall’ meetings where concerns may be raised to management
  - Trade unions, as legally allowed under the law.

Points to Consider in Auditing Criterion 10.1:

- Where Freedom of Association and Collective Bargaining are not restricted by Applicable Law 10.1 (d) would be Not Applicable and the Entity shall demonstrate Conformance to Criterion 10.1 (a) and (b).
- Where Freedom of Association and Collective Bargaining are restricted by Applicable Law 10.1 (a) and (b) would be Not Applicable and the Entity shall demonstrate Conformance to Criterion 10.1 (d).
Where 10.1(d) is applicable the Auditor must:
- State that Freedom of Association and Collective Bargaining are restricted by Applicable Law in the country
- Provide the alternative method(s) used by the Entity to demonstrate Conformance to the Criterion in the Public Headline Statement.

10.2 Child Labour
The Entity shall ensure 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:

a. That all Workers are over the basic minimum working age of 15 years.

b. Work for 15 through 17 year olds is not exploitive, Hazardous or interfering with schooling and apprenticeship programs. Not engaging in or supporting Hazardous Child Labour.

c. That there are no instances of the Not engaging in or supporting Worst Forms of Child Labour.

Application:
- This Criterion applies to all Facilities.

Background:
- Child Labour is one of the most high-profile and widely-condemned social performance issues. It refers to work that interferes with children’s schooling and/or that is mentally, physically, socially or morally dangerous and harmful.

Points to consider in implementing Criterion 10.2:
- To implement this Criterion, consider conducting a risk assessment appropriate to the Business’ circumstances to assess where there may be a risk of Child Labour. Issues to assess may include:
  - Areas of hazardous labour, mapping current Worker ages against tasks
  - Contractors working at your Facilities
  - Migrant Workers and availability of personal identity information
  - Relationships with suppliers/sub-Contractors as a potential supply chain risk (see also Criterion 9.1 Human Rights Due Diligence)
  - Procedures for verifying age prior to recruitment.
- Actions to control risks could include, where relevant:
  - Age assessment or verification
  - Strengthening hiring Policies to prevent Child Labour
  - Training for human resources managers
  - Addressing hazards in the workplace (for example, for young Workers)
  - More generally, improving wages for adults such that families do not need the income from children and can support further education.
- Where instances of Child Labour are found, these require considered responses that take account of local circumstances and Applicable Law. Consider:
  - If children are found to be performing hazardous work, or tasks that are dangerous, harmful or inappropriate considering their age, they must be removed from these functions immediately. Ensure they are removed safely, reunited with their family or guardian and provided with any care they need, such as health care of psycho-social assistance. Some situations may need to be reported to relevant authorities.
  - Remediation actions should include, at minimum, the provision of financial and/or other support to enable children to attend and remain in quality education until they complete compulsory education, and steps for the continued welfare of the child, taking into account the financial situation of the child’s family. Involving public or non-governmental service providers may be advisable.
  - The key is for children to have access to good quality education with real prospects of meaningful employment when they leave school. This is especially important where there is the risk that those
children, if simply withdrawn from employment, may work for other organisations with uncontrolled working conditions or in less visible parts of the informal economy.

- Consider supporting Community development programs aimed at eradicating the root causes of Child Labour. These can usually only be implemented in co-operation with other agencies such as national or local government, international institutions such as the ILO, Labour Unions, civil society and Community groups.
- Ensure that such situations do not recur within the company. Revisit your risk assessment and consider where controls need to be strengthened to prevent a recurrence.

For more guidance on addressing Child Labour risks, consult available references including the ILO Employers’ and Workers’ Handbook on Hazardous Child Labour, the International Finance Corporation (IFC) Performance Standard 2 – Guidance Note, the ILO Checkpoints application, the ILO Child Labour Guidance Tool for Business, the UNICEF Children’s Rights and Business Principles, and the Human Rights Compliance Assessment Tool – Part 2.3 Child Labour and young workers, by The Danish Institute for Human Rights.

10.2(a)
- The minimum age relating to Child Labour is considered to be 15 years, or the minimum age as specified in Applicable Law, whichever is higher.

10.2(b)
- In the context of hazardous work (Hazardous Child Labour), the minimum age is considered to be 18 years. Hazardous work is usually determined under Applicable Law, but generally includes:
  - Work underground, under water, at dangerous heights or in confined spaces
  - Work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads
  - Work in an unhealthy environment, which may expose children to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to their health
  - Work for long hours or during the night, or work where the child is unreasonably confined to the premises of the employer.

10.2(c)
- Worst Forms of Child Labour in industrial supply chains include Hazardous Child Labour (above), as well as child slavery and practices similar to child slavery, including Debt Bondage, the trafficking of children, forced Child Labour and the use of children in armed conflict.

**10.3 Forced Labour**

The Entity shall neither engage in nor support the use of Forced Labour as defined in ILO Conventions C29, along with Protocol P29 (2014) to this Convention, and C105. The Entity shall:

a. **Not, either directly or through any direct or contracted employment or recruitment agencies:**
   i. Engage in or support Human Trafficking, either directly or through any employment or recruitment agencies.
   ii. Require any form of deposit, Recruitment Fee, Costs and Charges or equipment advance from Workers either directly or through employment or recruitment agencies.
   iii. Require Migrant Workers to lodge deposits or security payments at any time.
   iv. Hold Workers in Debt Bondage or force them to work in order to pay off a debt.
   v. Unreasonably Restrict the freedom of movement of Workers in the workplace or in on-site housing unless reasonable, necessary, timebound and proportionate.
   vi. Retain original copies of Workers’ identity papers, work permits, travel documents or training certificates.
Deny Workers the freedom to terminate their employment at any time without penalty, given notice of reasonable length.

Publicly disclose an annual Modern Slavery Statement detailing their actions to address modern slavery.

Application:
This Criterion applies to all Facilities.

Background:
- Forced Labour is a global problem that exists in industrialised as well as developing countries, in formal and informal economies, in global supply chains of multinational companies, as well as in small and medium sized enterprises. According to ILO estimates, at least 21 million people worldwide are victims of Forced Labour, the majority of which are exploited by private agents.
- Forced Labour can take many forms. It includes situations where Workers cannot leave their job without facing a penalty or a threat of penalty of any kind. The penalty could mean physical constraint or punishment, but could also refer to threats of deportation, restricting Workers’ movements, the confiscation of passports, loans and/or wage advances, excessive interest rates, deception in wage payments, illegal deductions, charging of security deposits, inflated pricing/charges at company stores, or the non-payment of wages that effectively binds a Worker to a job or employer.
- Migrant Workers are particularly Vulnerable or At-Risk to Forced Labour, as are other minorities, including Indigenous Peoples. They may have illegal or restricted employment status, may be economically Vulnerable or At-Risk, or may be members of an ethnic group subject to Discrimination. These factors can be used unfairly by coercive recruiters or labour intermediaries, who remove identity documents and threaten Workers with public exposure or deportation. In these situations, Migrant Workers and other minorities may accept sub-standard conditions of work such as debt-bondage or indentured labour. Verité research has shown that Workers will go to great lengths to snag promising jobs, no matter where they are located. Often Workers become indebted to middlemen – labour recruiters and moneylenders – whose practices can be exploitative and illegal and it becomes difficult or impossible to come out on top. These Workers can become trapped because:
  - The job probably won’t pay what the recruiter promised
  - They don’t often know about the compound interest on their debt, which increases every month
  - There are illegal wage deductions and unexpected fees
  - Their passports may be taken away so that they can’t complain or flee
  - Their work visas will tie them to their employer, giving them no other alternative way to dig themselves out of debt
  - They may end up for months or years in slave-like conditions or Debt Bondage.
- Human Trafficking can lead to Forced Labour and in recent years has taken on new forms and dimensions, often linked to developments in information technology, access to transport and organised crime. Companies can be directly linked to Human Trafficking through the recruitment, transport, harbouring or receipt of a trafficking victim. However, companies can also be indirectly linked to trafficking through the actions of their suppliers or Business partners, including sub-Contractors, labour brokers or private employment agencies.
- ASI has a clear position that Workers should not pay any form of Recruitment Fees, Costs or Charges to secure employment. All costs of recruitment should be borne by the employer. This should include those directly hired and employed by the company but also those working on company sites under outsourced staffing arrangements for instance via employment agencies.

Points to Consider in Implementing Criterion 10.3:
For 10.3(a):
- Companies should consider
Implementing clear transparent recruitment processes are in place for both the direct recruitment of staff and contracting arrangements with recruitment and employment agencies.

Giving appropriate training should be given to staff responsible for hiring.

Prohibiting the soliciting or acceptance of any payment or bribe from job seekers or from labour or recruitment agencies by anyone employed by the Entityenterprise should be prohibited and making it a disciplinary offence.

Should Entities find that Workers have paid any Recruitment Fees, Costs or Charges they should consider having them be re-imbursed.

Consider re-conducting a risk assessment appropriate to the Business’ circumstances to assess where there may be a risk of Forced Labour or Human Trafficking. These risk assessments should be regular and ongoing, undertaken whenever the risks may change, such as when starting a new Business relationship or operating location, or facing a Major Change in operations or operating environment. Issues to assess may include:

- The use of Contractors, suppliers, recruitment agencies and labour providers. Indicators of risk include Recruitment Fees, Costs or Charges charged to Workers, passport retention, deception in wage payment, loans offered to Workers, or other practices which have the potential to bind the Worker to the agency. Use only employment and recruitment agencies that are licensed or certified by the competent authority.
- Where Migrant Workers are employed, examine the process of recruitment to ensure that there is no form of coercion involved, and no requirement for the Workers to lodge a deposit or security fee.
- Check that regular wage payments made to Workers cannot be supplanted by in-kind Remuneration.
- Check that wages are not deducted as punishment.
- Check that paid sick and family leave is granted in line with Applicable Law.
- Check that compulsory labour is not used as punishment for a strike.
- Check that freedom of movement of Workers in workplaces or on-site housing is not unreasonably restricted.
- Where locked doors or security measures are in place to protect people and property, ensure that this is in the context of work that is undertaken voluntarily.
- Where originals of identity papers, work permits, travel documents or training certificates need to be kept for security or legal purposes, ensure this is a temporary arrangement and is with the agreement and understanding of the Worker. The Worker should have ready access to their documents and the right to take them back into their possession at any time.
- If loans are made to Workers, check whether they may create situations of Forced Labour if Workers are not able to meet the repayments. Indicators of risk are high rates of interest, very long repayment terms, or fraud used by the employer or agency to deceive the Worker or artificially inflate the debt.
- Assess the risk to Migrant Workers after being charged Recruitment Fees, Costs or Charges. This is distinct from assessing any risks to the Business.
- Ensure a range of internal and external sources are used to inform the assessments, including issues raised by NGOs or Labour Unions, news or expert reports, and cases arising via grievance mechanisms.

Actions to control risks could include, where relevant:

- Strengthening hiring Policies or Codes of Conduct to prevent Forced Labour and Human Trafficking. Consider how to explicitly address the risks of Forced Labour and Human Trafficking in hiring and recruitment, and in particular those risks faced by Migrant Workers. Policies should apply to first-tier suppliers, sub-Contractors, and Business partners, including employment or recruitment agencies, integrating them into Business contracts where appropriate.
- Raising awareness and building capacity, including training for human resources managers. Companies should train managers, human resource and corporate social responsibility personnel, internal auditors, and other relevant company staff on how to identify the red flags linked to Human Trafficking and Forced Labour. Good and bad practices in recruitment and hiring should be identified and effective corrective actions taken.
action and remediation plans should be discussed. Companies should raise awareness of the risks and issues internally, and work with suppliers to do the same throughout the supply chain.

- Carrying out broader Due Diligence, including enterprise audits or assessments of suppliers and/or employment and recruitment agencies. Consider whether new assessment and compliance strategies may be needed to effectively audit labour brokers and the private employment agencies used by their suppliers. Measures to assess red flags should be present throughout the supply chain, including top tier suppliers, their sub-Contractors, and employment or recruitment agencies.

- Putting in place grievance or Complaints Resolution Mechanisms to enable affected Workers to raise issues and to provide access to remedy (see also Criterion 9.1 on Human Rights Due Diligence). Corrective action plans should provide for the full protection of the Worker(s) concerned, and measures should be taken to support their rehabilitation, repatriation (if desired by the Worker) and/or reintegration into the labour market and Community. Where possible, cooperation should be forged with public or non-governmental victim service providers with expertise in supporting Migrant Workers who have been trafficked.

- Under the UN Guiding Principles on Business and Human Rights (see Criterion 9.1 in the ASI Performance Standard), a company’s responsibility to act is determined by its involvement in a Human Rights risk or impact, not its ability to influence a situation.
  - Where at risk of causing an impact directly, take the necessary steps to prevent it. For example, require recruitment agents to itemise, including with receipts, all expenses they incur in the recruitment process, and provide Workers with receipts for any expenses they incur in their recruitment.
  - Where at risk of contributing to an impact, take the necessary steps to avoid that contribution. Use your leverage with the party causing the impact to mitigate any remaining risk. For example, in the absence of ethical recruitment agencies in a country, undertake as much direct recruitment of Migrant Workers as possible.
  - Where at risk of an impact on a Migrant Worker being directly linked to your company’s operations, products or services through a Business relationship, use your leverage with the party at cause to mitigate the risks.

- When companies identify instances in their supply chain where Workers have paid fees over the course of their recruitment and employment, companies can work with suppliers to repay these fees to Workers by:
  - Communicating supplier expectations, including Policies and/or contractual terms with suppliers
  - Providing guidance on developing Worker repayment estimates and appropriate timelines
  - Communicating and engaging with recruitment agencies and Workers during this process.

In fact, many companies require their suppliers and partners to regularly monitor for and repay all Recruitment Fees, Costs or Charges that have been paid by Workers, and require evidence of Due Diligence during onsite assessments.

- Note that compulsory Overtime required to meet production deadlines is not considered Forced Labour if it stays within the limits permitted by Applicable Law or agreed to in collective agreements.

- Reasonable restriction in 10.3 (a)(v) may be necessary in cases where:
  - Emergency situations are occurring where for the protection of the health and safety of the worker or other workers, they may be required to be confined to an area e.g. isolation/quarantine in a pandemic/outbreak or safe rooms during a release of hazardous materials.
  - There is a requirement for continuous production.
  - Special care should be taken to ensure gender is not used as a means to restrict movement of workers.
  - Health and safety controls require a person to be prohibited from entering an area for the protection of their, or others, health and safety e.g. access to an area requires training/competency requirements to be fulfilled before entering or access to a site is prohibited if a person is sick.
  - The local community needs to be protected from in migration issues.

It should be noted that these restrictions would normally be documented in emergency response or site/region access procedures and be inclusive of all personnel.
Further information on Recruitment Fees, Costs and Charges can be found in the ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs.


For 10.3(b):

Some examples of Modern Slavery Statements include:
- SIG Modern Slavery Statement
- BMW UK LTD. Modern Slavery Act Statement
- Audi Slavery and Human Trafficking Statement

Additional information on repaying recruitment fees can be found at Impactt’s Principles and Guidelines for the Repayment of Migrant Worker Recruitment Fees and Related Costs.

Points to Consider in Auditing Criterion 10.3:

Recruitment processes should be included in Audits. If recruitment or employment agencies have been engaged clear contracts and payment details between them and the enterprise should be available. Should such contracts not exist the assumption should be Workers have paid Recruitment Fees, Costs or Charges to secure employment.

Worker interviews during Audit should include question on recruitment process. Workers who may be fearful of losing their jobs are often coached to deny that they have paid fees or made payments. Best practice is to ask Workers about recruitment on arrival, mid contract and at end of contract when they may not be so fearful of repercussions and to understand the actual costs of recruitment for pertinent recruitment corridors and ask how and when actual costs were paid.
10.4 Non-Discrimination

The Entity shall:

a. 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, caste, 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.

b. Undertake objective appraisals of jobs on the basis of the work to be performed to verify equitable equal rates of pay for equal work.

c. Promote a culture of non-discrimination.

Application:

This Criterion applies to all Facilities.

Background:

- Discrimination in occupation and employment takes many forms and occurs in all kinds of work settings. It can result in different treatment of Workers in their responsibilities, conditions, training, promotion, or job security.
- Globally, women continue to be the largest discriminated group according to ILO reports. Gender disparities are evident in labour force participation rates, unemployment rates, Remuneration and the types of job performed.

Points to consider in Implementing Criterion 10.4:

- The Entity should be aware of both visible and invisible minorities. LGBTQ+ communities and individuals affected by illness (HIV+, Tuberculosis+, COVID-19+) are often described as ‘invisible’ minorities, because you can’t look at someone and determine if the individual is part of that community. Entities working to enhance diversity and prevent Discrimination of invisible minorities should ensure they have a robust, privacy-respecting program in the company, which both enables those who wish to reveal themselves, and guards their privacy if they wish to keep it private.
- The Entity should strive to eliminate Discrimination against LBTQ+ Workers in the workplace through implementing the Five Standards of Conduct as outlined by the United Nations.
- For employers, Discrimination can be difficult to identify in practice, particularly when it is indirect. Sometimes rules, practices or attitudes have the appearance of being neutral but in fact lead to exclusions, Harassment or preferential treatment.
- Conduct a risk assessment appropriate to the Business’ circumstances to assess where there may be a risk of Discrimination. Issues to assess may include practices or patterns in certain countries, industry sectors, or in particular occupations, Migrant Worker status, or on particular issues such as Labour Union membership or pregnancy/maternity.
- Provide diversity and anti-Discrimination training, particularly in areas where Discrimination is most likely to occur such as hiring and promotion practices.
- The Swiss Government has developed a tool for private Businesses to assess their gender pay gap, that can be found here: https://www.ebg.admin.ch/ebg/en/home/services/logib.html.
Points to Consider in Auditing Criterion 10.4:

- Note that where targets are mandated by local legislation or law that requires positive Discrimination in favour of local residents, Indigenous Peoples, or groups who have been historically disadvantaged (such as on the basis of gender or race, for example), these may not be regarded as Discrimination.
- Similarly, projects may have objectives to promote the employment of the local Community within the project. Where this is done in accordance with Applicable Law, this will not be taken to infringe the principles of this paragraph.

10.5 Communication and Engagement

The Entity shall ensure open communication and direct engagement with Workers and their representatives regarding working conditions and resolution of workplace and compensation issues, without threat of reprisal, intimidation or Harassment.

Application:
This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 10.5:

- Consider how to establish and use communication channels that ensure open communication with Workers and their representatives (such as freely elected Labour Unions, delegates or spokespeople or others as nominated, where they exist), relating to working conditions, and any workplace and compensation issues. See also:
  o Criterion 10.1 on Freedom of Association and Right to Collective Bargaining
  o Criterion 11.3 on Employee Engagement on Health and Safety.
- Ensure that these channels operate without threat of reprisal, intimidation or Harassment for participation or identification of issues.
- In larger organisations, formal grievance or Complaints Resolution Mechanisms can allow Workers to raise complaints and should aim to handle disputes and appeals in a timely, effective and culturally appropriate process.

10.6 Disciplinary practices

The Entity shall:

a) Adopt and implement, in consultation with Workers and their representatives, a workplace Policy on violence and harassment.

b) Take into account violence and harassment in the management of Occupational Health and Safety and identify hazards and assess the risks of violence and harassment, with the participation of Workers and their representatives, and take measures to prevent and control them.

c) Provide to Workers and other persons concerned information and training, in accessible formats as appropriate, on the identified hazards and risks of violence and harassment and the associated prevention and protection measures.

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 Workers.

Application:
This Criterion applies to all Facilities.

Background:

- Discipline in the workplace should be viewed as a way to correct problem behaviours or performance issues. It should never be a form of punishment to a Worker.
Unfortunately, in some workplaces, discipline can take an extreme form. Examples of unreasonable practices that have been documented in workplaces include: being forced to do push-ups, run laps, or stand in the sun for extended periods, being beaten or hit over the head, threats of violence, sexual or racial Harassment, and withholding of wages, food or services.

Points to Consider in Implementing Criterion 10.6:

- Supervisors and Contractors, such as security forces, should be trained in how to appropriate manage any disciplinary issues. Security guards and the military should not be allowed to take part in disciplining the workforce. Their role must be clearly limited to safeguarding the premises and the personnel and product located in the premises.
- Disciplinary Procedures should provide a fair and humane way for dealing with Workers who fail to meet the company’s standards of conduct and performance at work.
- Grievance Procedures and Complaints Resolution Mechanisms are a means for Workers to then raise concerns about management practices or decisions relating to disciplinary measures, and to have these investigated and resolved. They should permit Workers to report unfair treatment to someone other than their supervisor. See also Criterion 10.5 on Communication and Engagement.
- Conduct a risk assessment appropriate to the Business' circumstances to assess where there may be a risk of disciplinary practices that violate basic human dignity and Human Rights. Issues to assess may include practices or patterns in certain countries, industry sectors, or in particular occupations, or on particular issues such as security forces or management responses to strike actions.

10.7 Remuneration
The Entity shall:

- Ensure Workers have a written contract describing terms and conditions of employment in a language and format they understand.
- Respect the rights of Workers 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 Workers and to provide some discretionary income.
- Pay a premium of at least 25% for work that exceeds 40 hours per week, except in situations of a collective agreement, salaried Workers or extended work shifts where work hours are averaged over a certain period.
- Make wage payments that are timely, in legal currency and fully documented.

Application:

This Criterion applies to all Facilities.

Background:

- Wage-related benefits vary by country, but often include items such as holiday, Overtime pay, sick pay, health benefits, incentives and bonuses, limited family leave benefits with pay and savings plans. In some cases, non-wage benefits may be provided to Workers such as health care, accommodation, Worker education, and basic services such as water and electricity.

Points to Consider in Implementing Criterion 10.7:

For 10.7(b):

- More than 90% of countries have legislation for minimum wage fixing. Ideally this wage is determined to cover the minimum needs of the Worker and their family, in light of the country’s prevailing economic and social conditions (a ‘living wage’). However, this is not always the case in labour-intensive industries, which can lead to a cycle of Workers taking on excessive working hours and/or Overtime in order to make ends meet. Consider that wages are calculated on a performance-related or piece-rate basis and must not be less than legally mandated minimum wage.
• **The Entity should** make sure that the company understands the Applicable Law related to Remuneration and statutory benefits in all countries of operation. The relevant minimum wage rate will vary according to the region, type of operation, skill level of the Worker and/or category such as probationary, temporary and apprentice Workers.

• Where a legal minimum wage is in place, the company shall respect it. Where no minimum wage is defined through the regulatory system, the company should define a minimum wage for its Workers, based on common industry practices in the region or country where it operates. Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.
  - A living wage is defined as the wage that can meet the basic needs to maintain a safe, decent standard of living within the community. Where there is a perceived gap between the minimum wage and a living wage, consider how to address this. Additional guidance and methodologies can be found in SA8000’s work on living wage, and the Global Living Wage Coalition.

For 10.7(c):

• Typically, Workers receive higher pay for working beyond the required normal hours (Overtime), on public holidays, weekly rest days and at night. The rate for these hours may be set by the government or by collective agreement (whichever is higher applies). Different rates may apply for regular Overtime, and for Overtime worked at night, on public holidays, and on weekly rest days.

• For guidance on how to calculate Overtime wages for unique work situations, such as shift work, see the EU Directive 2003/88.

For 10.7(b):

• Ensure that Workers receive their payments regularly as stipulated in their contracts, and in legal currency in a manner and location convenient to them, whether via bank transfer, cash or cheque, or by money order where permitted by Applicable Law. Payment in the form of vouchers, coupons or promissory notes is not permitted.
  - Pay the correct rate for regular and Overtime hours worked at night, on weekly rest days and on public holidays.
  - Inform Workers about their wages and how they are calculated in a language they understand.

• Wage payments need to be made regularly and directly to Workers, in accordance with Applicable Law, and shall not be delayed, deferred or withheld.
  - Wages should be paid directly to the Worker in legal currency, or by cheque or money order where permitted by Applicable Law, collective agreement or with the consent of the Worker. Payment in the form of vouchers, coupons or promissory notes is prohibited.
  - Only deductions, advances and loans authorized by Applicable Law are permitted and, if made or provided, actions shall only be taken with the full consent and understanding of Workers.
  - Clear and transparent information needs to be provided to Workers about hours worked, rates of pay, and the calculation of legal deductions, so that they retain full oversight over their earnings.

• Under certain circumstances ILO Convention No.95 allows for the partial payments in kind of wages particularly when such form of payment is permissible by Applicable Law or as per a collective bargaining agreement, customary, appropriate for the personal use and benefit of Workers and their families, and the value of such allowances is fair and reasonable.
  - Payment in kind is non-cash Remuneration received by a Worker for work performed. This can include: food, drink, fuel, clothing, footwear, free or subsidized housing or transport, electricity, car parking, nurseries or crèches, low or zero-interest loans or subsidized mortgages.
  - Payment in kind in the form of goods or services shall not be used to create a state of dependency of the Worker on the employer. Payment in kind should only be partial to ensure that the Worker is not totally deprived of cash Remuneration.
  - Payment in kind can make up only part of Workers’ wages, and the benefits provided must be fairly valued and meet the personal and family needs of the Worker.
• Any amounts deducted from wages must be determined by due process. Legitimate deductions include income taxes, pension contributions and Labour Union memberships, for example. Deductions should not be made as a disciplinary measure for Worker behaviour, except where explicitly provided for in Worker contracts or collective bargaining agreements. Workers should be informed of conditions and extent of any deductions made in their regular payslip or similar documentation.

• Forced savings schemes are not part of legitimate deductions where they are Entity-owned or -managed and used as a pretext to withhold wages from Workers. These schemes benefit the Entity at the expense of Workers but may also prevent Workers to freely move to other positions or employers as Workers forced to participate in these schemes frequently have trouble receiving all monies due from these schemes at the end of their period of employment.

• Workers must not be forced to buy provisions or services from their employer or workplace. This can be a risk indicator of Forced Labour. Where there is a company store, or similar, goods need to be sold at fair and reasonable prices, and not inflated to increase profit, nor with the intention to indebted Workers.

• Loans and wage advances should not exceed legal limits, and Workers should be informed of related terms and conditions, including any interest rates and repayment terms.

## 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, an average of one day off per seven day period.

c. Ensure the work day is 8 hours on average over a three month period.

### Application:

This Criterion applies to all Facilities.

### Background:

• Working hours are a fundamental component of safe and humane working conditions. Excessive working hours in manufacturing and extractive industries remains one of the most regularly raised issues by civil society and Labour Unions.

### Points to Consider in Implementing Criterion 10.8:

• All hours worked beyond the legislated or agreed working week is considered Overtime. Overtime should be voluntary and not compulsory. Limiting working hours can promote better work-life balance and reduce Workers’ stress-related occupation conditions and accident rates.

• Weekly rest and paid annual leave are a normal part of most Worker agreements and must be provided. Where shift rosters mean that Workers don’t always get one rest day in seven, alternative arrangements should be agreed in compensation. For example, some mines will operate ‘fly-in, fly-out’ contracts where (non-local) Workers work a number of weeks of consecutive days followed by a number of weeks of leave.

• Make sure that the company understands the Applicable Law related to working hours and leave in all countries of operation. Any collective agreements with Labour Unions or other Workers organisations should deal with working hours, Overtime, breaks and leave.

  o There needs to be processes in place to ensure Workers are not be forced to work in excess of the number of hours permitted in Applicable Law. In the absence of these laws, ILO Convention 1 sets out 8 hours for a work day and 48 hours in a week (with exceptions for some industrial environments or emergency / force majeure situations).

  o Overtime needs to be voluntary, unless part of a legally recognized collective bargaining agreement. Workers must not be made to work Overtime under the threat of penalty, dismissal or denunciation to authorities. While the ILO does not set the maximum number of Overtime hours, a common benchmark is 12 hours additional per week for max of 60 normal and Overtime hours.
The ILO encourages multi-national enterprises to progressively reduce from 48 hours to 40 hours in the week, without reduction of wages.

- Develop an effective system for recording the amount of hours worked by each Worker, and tracking Overtime and leave entitlements. Make sure that managers and Workers understand the systems so that they can easily record hours and any changes to regular working hours.
- Where relevant, conduct a risk assessment appropriate to the Business’ circumstances to assess where there is a risk of maximum working hours being exceeded or leave entitlements being breached.

10.9 Informing Workers of Rights

The Entity shall:

a. Inform Workers of their rights, as protected in this Principle.
   a.b. Where Freedom of Association and Collective Bargaining are restricted by Applicable Law then it is expected that Entities would inform Workers of the requirements of 10.1 (d).

Application:

- This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 10.9:

Resources for Guidance:

- Ethical Trade Initiative’s Freedom of Association in Company Supply Chains
- Fairwear’s Freedom of association and the right to collective bargaining – a guide for brands
11. Occupational Health and Safety

**Principle**
The Entity shall provide and promote safe and healthy working conditions for all Workers.

**Related Criteria**
- 2.1 Environmental, Social and Governance Policy
- 2.3 Environmental and Social Management Systems
- 2.7 Emergency Response Plan

**Applicability**

<table>
<thead>
<tr>
<th>Supply chain activity</th>
<th>Applicability of Performance Standard Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite Mining</td>
<td>11.1, 11.2, 11.3</td>
</tr>
<tr>
<td>Alumina Refining</td>
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<td>Aluminium Smelting</td>
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<tr>
<td>Aluminium Re-melting/Refining</td>
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<td>Casthouses</td>
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<td>Semi-Fabrication</td>
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<td>Material Conversion (Production and Transformation)</td>
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<tr>
<td>Material Conversion (Industrial Users)</td>
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<tr>
<td>Other manufacturing or sale of products containing Aluminium</td>
<td></td>
</tr>
</tbody>
</table>

**Code:**
Criteria shaded green are applicable to those supply chain activities, where they are within the Certification Scope of the Entity. For more information on defining your Entity’s Certification Scope and details on the applicability of Criteria for Material Conversion and/or Other manufacturing or sale of products containing Aluminium Facilities see the ASI Assurance Manual.

**Background**

It is a fundamental responsibility of Businesses to ensure that Workers and Affected Populations and Organisations are not harmed as a result of their work. Health and safety Management Systems and programs are usually designed to cover direct employees, any contract or agency Workers, and members of the public such as Visitors and local Communities who may be impacted by a company’s operations.

A health and safety-wellbeing culture that drives prevention and promotes good health and safety in addition to the prevention of injury and illness can deliver substantial benefits. These include improvements in staff performance and motivation, and reductions in injuries, illnesses and sick days, insurance claims, premiums and regulatory fines. Poor management of health and safety directly increases the risk of serious workplace injuries, and illnesses, including and fatalities, and has the potential to undermine commercial performance and reputation, thereby negatively impacting organizational sustainability.

Traditionally health and safety programs focused primarily on the prevention of workplace-related injuries and diseases, including work-related stress, fatigue and work-life balance. Increasingly Businesses are developing programs for the general health and wellbeing of Workers, by addressing broader aspects of health such as psychological health and safety, stress, fatigue, fitness for work, obesity, substance addiction and work-life balance. While the intent of these programs is to further enhance workplace health and safety, due regard to issues of privacy needs to be given, with protections for Workers who may seek help with health or personal problems.
**Key Concepts**

International Labour Organisation (ILO) – A tripartite UN agency, established in 1919, that brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men. The ILO has more than 80 Conventions and Recommendations dealing with health and safety issues. These cover specific industries, risks that affect a variety of sectors, and preventative or protective measures. While these recommendations are sometimes addressed in government regulation, they may be referred to by companies for additional guidance. (Adapted from International Labour Organisation – Safety and health at work)


ILO Convention 176 (1995) – Deals with health and safety in mines. Part III provides general recommendations on issues such as handling of chemicals, emergency preparedness, and the right of employees to report accidents to local authorities. Article 98 requires the preparation of an emergency response plan specific to each mine (ILO Recommendation 183 provides more detail on what these plans should contain).

Occupational Health and Safety (OH&S) – Concerned with protecting the safety, health and welfare of people engaged in work or employment. (Safe at Work)

Workers – Includes employees (individuals who have entered into or works under a contract of employment or a contract of service or apprenticeship, whether express or implied and whether oral or in writing, or as defined by Applicable Law), and Contractors (an individual, company or other legal entity that carries out work or performs services pursuant to a contract for services). (Adapted from Responsible Jewellery Council Code of Practices 2013)

Visitors – A person visiting an Entity’s Facility or operation or location under the Entity’s Control who is not a Worker at the Facility or operation or location.

**Implementation**

The ‘Implementation’ section provides general guidance for implementing each of the Criteria in the ASI Performance Standard. The guidance is not normative and should be seen as a starting point for information and support where required.

11.1 Occupational Health and Safety (OH&S) Management System/Policy

The Entity shall:

- Implement a documented OH&S Management System applicable to all Workers that meets the requirements of ISO 45001, including:
  a. Organisational context
  b. Leadership & worker participation
  c. Planning
  d. Support
  e. Operation
  f. Performance evaluation
  g. Improvement

- Implement, communicate and regularly review an Occupational Health and Safety Policy that senior management has endorsed and supports through provision of resources.
- Apply the Policy to all Workers and Visitors present in any area or activities under the Entity’s Control.
Include in the Policy a commitment to comply with Applicable Law on Workers’ health and safety, international standards, and ILO Conventions on Occupational Health and Safety including where relevant ILO Conventions 155 and 176.

Include in the Policy that Workers have the right to understand the hazards and safe practices for their work, and the authority to refuse or stop unsafe work.

Application:
This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 11.1:

- Develop, adopt and implement documented Occupational Health and Safety Management Systems to assess and manage the Entity’s Occupational Health and Safety risks.
  - Documentation that is fit for purpose and consistent is usually the foundation of a functional Management System, and thus may be quite simple for smaller Businesses.
  - See Guidance for Criterion 2.3 for additional information.
- International standards such as ISO 45001, Occupational health and safety Management Systems, offer Management System models that may be relevant for some Businesses: offers a model for the establishment, implementation and maintenance of an OH&S Management System, that includes:
  - Context of the organization
    - Understanding the organization and its context
    - Understanding the needs and expectations of workers and other interested parties
    - Determining the scope of the OH&S management system
    - H&S management system
  - Leadership and worker participation
    - Leadership and commitment
    - OH&S policy
    - Organizational roles, responsibilities and authorities
    - Consultation and participation of workers
  - Planning
    - Actions to address risks and opportunities
    - OH&S objectives and planning to achieve them
  - Support
    - Resources
    - Competence
    - Awareness
    - Communication
    - Documented information
  - Operation
    - Operational planning and control
    - Emergency preparedness and response
  - Performance evaluation
    - Monitoring, measurement, analysis and performance evaluation
    - Internal audit
    - Management review
  - Improvement
    - General
    - Incident, non-conformity and corrective action
    - Continual improvement.
- Consider nominating senior manager/s with responsibility for the Occupational Health and Safety Management System (See Criterion 2.2).
- Ensure that the identification and assessment of health and safety risks and the establishment of actions and controls are documented and that this process is conducted in a joint effort with Workers (or their representatives) and management.
- The nature and extent of the Management System should reflect the Entity's size, location and other factors. Simple Procedures and work instructions may be sufficient and effective for small companies with low risks.
- Consider how to address the following (non-exhaustive) issues for all types of Workers and Visitors and all workplaces, including office environments:
  - Establishing a collaborative safety culture, including the promotion and dissemination of good wellbeing, health and safety practice through open communication and discussion
  - Complying with regulatory requirements and other relevant international standards including ILO Conventions
  - Respecting Workers’ health and safety rights, with a special attention to women’s wellbeing
  - Preventing sexual Harassment at the workplace
  - Identifying and managing psychosocial risks, e.g. per guidance in ISO 45003 (see Table 8 below for example social factors at work)
  - Complying with regulatory requirements and other relevant international standards including ILO Conventions
  - Maintaining materials, equipment, tools and machinery in safe condition
  - Providing safe and hygienic facilities, including toilets, eating areas and first aid
  - Use of machinery and mobile equipment including guarding, training of operators and maintainers
  - Procedures for shutdown to a zero energy state, and lockout and tag-out Procedures
  - Inventory, hazard information, storage and handling of materials (including hot metal) and chemicals
  - Controlling exposures to hazardous materials in various states, whether solid, liquid, gas, mist, dust and fumes, airborne particles, noise and temperature levels. Consideration to be applied based on the nature of the hazard (corrosive, toxic, carcinogenic, mutagenic, teratogenic, asphyxiant, sensitizer) the pathways of entry to and elimination from the body, the nature of possible effects on target cells/organisms/systems, and appropriate control measures
  - Psychological factors and mental wellbeing
  - Working alone
  - Beryllium Disease
  - Working at heights
  - Confined spaces
  - Energised systems (pressure, temperature, electrical, etc.)
  - Heat- and cold- related Illness (thermal stress)
  - Heat stress, exposure and adequate hydration
  - Inadequate lighting and/or ventilation
  - Ergonomic hazards, and the potential for repetitive strain activities
  - Biological hazards, such as injury from animals and insects (including vector-borne and insect-borne disease)
  - Ensuring that workplaces are safe for all Workers, including younger workers (for example under 18 years of age), older Workers, pregnant Workers, nursing Workers, and Workers with disabilities
  - General industrial hygiene, food hygiene and sanitation
  - Housekeeping issues
  - Training and supervision, including imparting knowledge and awareness about workplace hazards, safe working practices and the safe operation of equipment and training specifically for groups identified as vulnerable
- Accessibility of information in languages and format that can be understood by/is accessible to all workers
- Mechanisms for Workers to refuse or shut down unsafe work without fear of reprisals and the obligation to immediately report these situations to those at imminent risk and to management
- Processes for identifying hazards, assessing risks, and controlling risks in consultation with Workers (see Criterion 11.2)
- Processes for consultation with Workers on matters that affect their health and safety in an inclusive and meaningful participatory mechanism such as a joint health and safety committee (Workers or their representatives and management) in all aspects of health and safety Policies, programmes and Procedures – from planning through risk assessment to implementation, including inspections, audits, accident and incident investigations. (see Criterion 11.3)
- Processes for regular review and communication of the Policy and supporting systems and their implementation (see Criterion 11.2)

Table 8: Workplace psychosocial risk factors - social factors (from ISO 45003:2021)

<table>
<thead>
<tr>
<th>Examples</th>
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<tbody>
<tr>
<td><strong>Interpersonal relationships</strong></td>
</tr>
<tr>
<td>— poor communication, including poor information sharing</td>
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<tr>
<td>— poor relationships between managers, supervisors, co-workers, and clients or others that Workers interact with</td>
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<tr>
<td>— interpersonal conflict</td>
</tr>
<tr>
<td>— Harassment, bullying, victimization (including using electronic tools such as email and social media), third-party violence</td>
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<tr>
<td>— lack of social support</td>
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<tr>
<td>— unequal power relationships between dominant and non-dominant groups of Workers</td>
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<tr>
<td>— social or physical isolation</td>
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<tr>
<td><strong>Leadership</strong></td>
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<tr>
<td>— lack of clear vision and objectives</td>
</tr>
<tr>
<td>— management style unsuited to the nature of the work and its demand</td>
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<tr>
<td>— failing to listen or only casually listening to complaints and suggestions</td>
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<tr>
<td>— withholding information</td>
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<tr>
<td>— providing inadequate communication and support</td>
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<tr>
<td>— lack of accountability</td>
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<tr>
<td>— lack of fairness</td>
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<tr>
<td>— inconsistent and poor decision-making practices</td>
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<tr>
<td>— abuse or misuse of power</td>
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<tr>
<td><strong>Organizational/workgroup culture</strong></td>
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<tr>
<td>— poor communication</td>
</tr>
<tr>
<td>— low levels of support for problem-solving and personal development</td>
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<tr>
<td>— lack of definition of, or agreement on, organizational objectives</td>
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<tr>
<td>— inconsistent and untimely application of Policies and procedures, unfair decision-making</td>
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<tr>
<td><strong>Recognition and reward</strong></td>
</tr>
<tr>
<td>— imbalance between Workers’ effort and formal and informal recognition and reward</td>
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<tr>
<td>— lack of appropriate acknowledgement and appreciation of workers’ efforts in a fair and timely manner</td>
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<tr>
<td><strong>Career development</strong></td>
</tr>
<tr>
<td>— career stagnation and uncertainty, under-promotion or over-promotion, lack of opportunity for skill development</td>
</tr>
<tr>
<td>Examples</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
</tbody>
</table>
| **Support** | — lack of support from supervisors and co-workers  
— lack of access to support services  
— lack of information/training to support work performance |
| **Supervision** | — lack of constructive performance feedback and evaluation processes  
— lack of encouragement/acknowledgement  
— lack of communication  
— lack of shared organizational vision and clear objectives  
— lack of support and/or resources to facilitate improvements in performance  
— lack of fairness  
— misuse of digital surveillance |
| **Civility and respect** | — lack of trust, honesty, respect, civility and fairness  
— lack of respect and consideration in interactions among workers, as well as with customers, clients and the public |
| **Work/life balance** | — work tasks, roles, schedules or expectations that cause workers to continue working in their own time  
— conflicting demands of work and home  
— work that impacts the workers’ ability to recover from illness or injury |
| **Violence at work** | — incidents involving an explicit or implicit challenge to health, safety or well-being at work; violence can be internal, external or client initiated, e.g.:  
— abuse  
— threats  
— assault (physical, verbal or sexual)  
— gender-based violence |
| **Harassment** | — unwanted, offensive, intimidating behaviours (sexual or non-sexual in nature) which relate to one or more specific characteristic of the targeted individual, e.g.:  
— race  
— gender identity  
— religion or belief  
— sexual orientation  
— disability  
— age |
| **Bullying and victimization** | — repeated (more than once) unreasonable behaviours which can present a risk to health, safety and well-being at work; behaviours can be overt or covert, e.g.:  
— social or physical isolation  
— assigning meaningless or unfavourable tasks  
— name-calling, insults and intimidation  
— undermining behaviour  
— undue public criticism  
— withholding information or resources critical for one’s job  
— malicious rumours or gossiping  
— assigning impossible deadlines  

Bullying and harassment can occur both face to face and electronically (e.g. social media) |

11.2 **Review of the OH&S Management System**
In addition to the performance evaluation requirements of Criterion 11.1, the Entity shall regularly review the OH&S Management System and identify and implement improvements. The duration of time between reviews shall not exceed five years.

Have a documented Occupational Health and Safety Management System that is conformant with applicable national and international standards.

Regularly review and publicly disclose the effectiveness, using lagging and leading indicators, of the Occupational Health and Safety Management System; compare this with peers and best practices; and where required, identify and implement improvements.

Application:
This Criterion applies to all Facilities.

Points to Consider in Implementing Criterion 11.2:

- Conduct regular reviews of the Occupational Health and Safety Management System. Reviews must occur minimally every five years but may occur more often. The frequency of the review would be influenced by:
  - The size and scope of the Business
  - The degree of risk in activities in which the Business is engaged
  - The degree to which the Occupational Health and Safety Management System is aligned with existing company practices
  - Changes within the Business or external to the Business which would impact the responsible sourcing Policy (including any mergers and/or acquisitions)
  - Alignment with legal requirements.

  Depending on these factors, it is expected that a cursory review be undertaken annually, and a more formal review occurring every three to five years. A significant event, such as a merger or acquisition, a fatality or significant injury or incident, or an identified material breach of the Occupational Health and Safety Management System, may trigger an earlier or more frequent review.

- Following a review, improvements should be identified and implemented where required. ‘Where required’ would include when the Management System has been found to:
  - Not be fully effective in meeting its objectives
  - Not meeting stakeholder expectations
  - Not aligned with emerging best practices
  - Not meeting legislative requirements.

- It is expected that during an initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 11.2 would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance / Re-certification Audits would verify the review was conducted as planned.

- For additional information see ISO 45001: Occupational health and safety Management Systems. For additional information on performance indicators for Bauxite Mines see the ICMM Health and Safety Performance Indicators.

- Develop, adopt and implement documented systems Occupational Health and Safety Management Systems to assess and manage the Entity’s Occupational Health and Safety risks.

  Documentation that is fit for purpose and consistent is usually the foundation of a functional Management System, and thus may be quite simple for smaller Businesses.

  See Guidance for Criterion 2.3 for additional information.

- International standards such as ISO 45001, Occupational health and safety Management Systems, offer Management System models that may be relevant for some Businesses.

- Consider nominating senior manager/s with responsibility for the Occupational Health and Safety Management System (See Criterion 2.2).
- Ensure that the identification and assessment of health and safety risks and the establishment of actions and controls are documented and that this process is conducted in a joint effort with Workers (or their representatives) and management.

  - The nature and extent of the Management System should reflect the Entity’s size, location and other factors. Simple Procedures and work instructions may be sufficient and effective for small companies with low risks.

- Consider the following types of workplace hazards, where relevant:

  o Use of machinery and mobile equipment including guarding, training of operators and maintainers, Procedures for shutdown to a zero energy state, and lockout and tag-out Procedures.
  
  o Inventory, hazard information, storage and handling of materials (including hot metal) and chemicals.
  
  o Exposure to hazardous materials in various states, whether solid, liquid, gas, mist, dust and fumes, airborne particles, noise and temperature levels. Consideration to be applied based on the nature of the hazard (corrosive, toxic, carcinogenic, mutagenic, teratogenic, asphyxiant, sensitiser) the pathways of entry to and elimination from the body, the nature of possible effects on target cells/organis/systems, and appropriate control measures.
  
  o Psychological factors and mental wellbeing.
  
  o Working alone.
  
  o Working at heights.
  
  o Confined spaces.
  
  o Energised systems (pressure, temperature, electrical, etc).
  
  o Heat stress, exposure and adequate hydration.
  
  o Inadequate lighting and/or ventilation.
  
  o Ergonomic hazards, and the potential for repetitive strain activities.

- Biological hazards, such as injury from animals and insects (including vector-borne and insect-borne diseases).

- Ensuring that workplaces are safe for all Workers, including younger workers (for example under 18 years of age) older Workers, pregnant Workers, nursing workers, and Workers with disabilities.

- General industrial hygiene.

- Housekeeping issues.

- A common approach is to identify improvement opportunities in the following order of priority:

  o Eliminate/Substitution the hazard by removing or modifying the activity from the work process. Examples include substitution with less hazardous chemicals, or using different manufacturing processes.

  o Control the hazard at the point where it starts or if this is impossible as close to the source as possible. Examples include local exhaust ventilation, isolation rooms, machine guarding, or acoustic insulating and noise control.

  o Minimise the hazard through design of safe work systems and administrative or institutional measures. Examples include provision of information such as Safety Data Sheets, job rotation, education and training on safe work Procedures, workplace monitoring, or as a last line of defence limiting exposure or work duration and/or the use of personal protective equipment (PPE).

- As per Criteria 2.7 and 2.8, establish emergency response Procedures, evacuation plans and Business resilience plans for all reasonably foreseeable emergencies, and test them regularly through the scheduling and undertaking of drills and scenario based exercises. Potential emergencies may include fire, explosion, medical emergency, incidents with high temperature materials or hazardous chemicals, bomb threats, armed confrontations and natural disasters.

- Ensure there are adequate first aid provisions and sufficient trained first-aid providers for the workplace, even in low-risk environments that are close to a health clinic or a hospital.
Consider implementing a standardized approach, such as ISO 45001 Occupational Health and Safety Management Systems or ILO-OSH 2001 Guidance on Occupational Safety and Health Management Systems. Typically, these cover the following elements:

- Have a written policy/manual on health and safety (see Criterion 11.1).
- Process to address issues for all types of workers and all workplaces, including office environments.
- Establishing a positive and understanding health and safety culture including workplace psychological health and safety.
- Respect for workers’ health and safety rights, with a special attention to women’s health and safety rights.
- Prevent sexual harassment at the workplace.
- Identifying and complying with Occupational Health and Safety Applicable Law.
- Equipment, tools, and machinery in safe and healthy condition.
- Safe and healthy hygienic facilities, including toilets, eating areas, and first aid, ensuring that each of these areas are delineated and separate from each other.
- Toilets, changing rooms, and showers are separate for women and men, and the number of toilets and hand washing facilities are commensurate with the number and gender of staff working on site.
- Information, training, and supervision to all workers. Pregnant employees should be adequately trained and equipped when handling chemicals and other materials which could be hazardous to their reproductive organs.
- Ensuring that pregnant employees are removed from any work environment which may pose a threat to the development of the unborn child. Relocation to a safer work environment should last throughout the duration of the pregnancy, and, if necessary, the nursing period as well.
- Processes for identifying hazards, assessing risks, and controlling risks (see Criterion 11.2).
- Processes for consultation with workers on matters that affect their health and safety (see Criterion 11.3).
- Regular review of the policy and supporting systems and their implementation (see Criterion 11.2).

For example, consider the following ones:

- Number of serious injury cases
- Number of recordable cases
- Number of recognized occupational illnesses
- Recordable Case Rate = (MT + RW + LTI + Fatality cases) x 1,000,000 ÷ Hours worked for a period
- Restricted Work Case Rate: Total number of RW cases that would occur in 500 employees working one year (1,000,000 hours); (# of RW cases) x 1,000,000 ÷ Hours worked for a period

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**Medical Treatment**: Any case involving treatment other than first aid administered by a physician or by other personnel under the standing or direct order of a physician. It is often difficult to distinguish medical treatment from first aid. The decision cannot always be made on the basis of who treats the case. A physician can administer first aid. Personnel other than a physician can provide medical treatment.

**Restricted Work Case**: A case that results in one or more days of restricted work. Restricted work occurs when the employee was assigned to another job on a temporary basis and/or worked at his/her permanent job less than full time due to the work-related injury. Restricted work duties must be taken up on the next scheduled workday after the injury.

**Lost Time Injury**: A case involving one or more scheduled workdays (consecutive or not) on which the employee would have worked but could not because of an occupational injury. The day of injury is not counted in making this distinction. The number of lost workdays should not include the day of injury or any days on which the employee would not have worked.
Medical Treatment Case Rate: Total number of MT cases that would occur in 500 employees working one year (1,000,000 hours): (# of TM cases) x 1,000,000 ÷ Hours worked for a period.

Lost Time Injury Case Rate: Total number of LTI cases (including Fatality cases) that would occur in 500 employees working one year (1,000,000 hours): (# of LTI cases) x 1,000,000 ÷ Hours worked for a period.

Days Lost Rate: Total number of scheduled work days that the employee could not work due to a work related injury that occurred during the period covered by the rate: (# of Days lost) x 1,000,000 ÷ Hours worked for a period.

Serious Injury Case Rate: Total number of Serious Injury cases that occurred during the period covered by the rate: (# of Serious Injury cases) x 1,000,000 ÷ Hours worked for a period.

Fatality Case Rate: Total number of Fatalities that occurred during the period covered by the rate: (# of Fatalities) x 1,000,000 ÷ Hours worked for a period.

- Consult the GRI Standard GRI 403: Occupational Health & Safety 2018 Standard for further examples of indicators. Be undertaken annually, and a more formal review occurring every a fatality or significant injury or incident.

11.3 Public Disclosure on Effectiveness of OH&S Management System

The Entity shall regularly and publicly disclose the effectiveness of the OH&S Management System, including:
- Through the use of leading and lagging indicators
- Comparative analyses of performance with peer businesses and leading practices.

The duration of time between reviews shall not exceed five years.

- Identify relevant health and safety leading and lagging indicators, jointly agreed with management and Workers (or their representatives), according to specific industry guidance, and monitor performance relating to these indicators on a regular basis.
  - Lagging indicators are the traditional safety metrics used to measure the reactive nature of safety performance. They include injury frequency and severity, lost time and Workers compensation costs. For example, consider the following ones:
    - Number of serious injury cases
    - Number of recordable cases
    - Number of recognised occupational illness.
- **Recordable Case Rate:** \((\text{MT}^{35} + \text{RW}^{36} + \text{LT}^{37} + \text{Fatality cases}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Restricted Work Case Rate:** Total number of RW cases that would occur in 500 employees working one year \((1,000,000 \text{ hours})\): \((\# \text{ of RW cases}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Medical Treatment Case Rate:** Total number of MT cases that would occur in 500 employees working one year \((1,000,000 \text{ hours})\): \((\# \text{ of MT cases}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Lost Time Injury Case Rate:** Total number of LTI cases (including Fatality cases) that would occur in 500 employees working one year \((1,000,000 \text{ hours})\): \((\# \text{ of LTI cases}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Days Lost Rate:** Total number of scheduled work days that the employee could not work due to a work related injury that occurred during the period covered by the rate: \((\# \text{ of Days Lost}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Serious Injury Case Rate:** Total number of Serious Injury cases that occurred during the period covered by the rate: \((\# \text{ of Serious Injury cases}) \times 1,000,000 \div \text{Hours worked for a period}\)

- **Fatality Case Rate:** Total number of Fatalities that occurred during the period covered by the rate: \((\# \text{ of Fatalities}) \times 1,000,000 \div \text{Hours worked for a period}\)

- Hours worked without recordable/lost time accident.

*Leading indicators in safety provide a means to predict performance and used to drive activities that identify hazards, and prevent or control the severity of injuries. Leading indicators include number of safety audits, number or Workers trained, reduction in risk profiles or Worker survey results. Both leading and lagging indicators can help Entities measure and improve its Occupational Health and Safety performance.*

*Larger workplaces or organisations often monitor progress against targets and it is noted that smaller Business’ may not always be able to compare its performance with peers.*

*Consult the GRI 403: Occupational Health & Safety Standard for further examples of indicators.*

Performance indicators should be jointly agreed with management and Workers (or their representatives).

- Regularly review industry *best leading* practices of peers comparable in size and/or geographic location and benchmark your own practices and performance to identify opportunities for improvement.

- Investigate health and safety incidents and feed the results into reviews of the controls of the related hazards, to identify opportunities for improvement.
   - Include near-miss situations, where the direct consequences were inconsequential, but the possible consequences could have been serious.
   - Ensure the implementation of corrective actions are tracked, and once in place, determine the effectiveness of these actions at preventing a recurrence.

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35 Medical Treatment: Any case involving treatment other than first aid administered by a physician or by other personnel under the standing or direct order of a physician. It is often difficult to distinguish medical treatment from first aid. The decision cannot always be made on the basis of who treats the case. A physician can administer first aid. Personnel other than a physician can provide medical treatment.

36 Restricted Work Case: A case that results in one or more days of restricted work. Restricted work occurs when the employee was assigned to another job on a temporary basis and/or worked at his/her permanent job less than full time due to the work-related injury. Restricted work duties must be taken up on the next scheduled workday after the injury.

37 Lost Time Injury: A case involving one or more scheduled workdays (consecutive or not) on which the employee would have worked but could not because of an occupational injury. The day of injury is not counted in making this distinction. The number of lost workdays should not include the day of injury or any days on which the employee would not have worked.
- Investigation teams and should include a mix of management and Workers (or their representatives).
- Learnings and actions from incidents should be shared with all affected personnel.
- Records of workplace incidents and/or performance may be required under local regulations. Where there is the potential for long latency diseases, such as noise induced hearing loss or occupational cancers, occupational health data may need to be kept for at least 30 years.

Conduct regular reviews of the Occupational Health and Safety Management System. The frequency of the review would be influenced by:
- The size and scope of the Business
- The degree of risk in activities in which the Business is engaged
- The degree to which the Occupational Health and Safety Management System is aligned with existing company practices
- Changes within the Business or external to the Business which would impact the responsible sourcing Policy (including any mergers and/or acquisitions)
- Alignment with local requirements.

Depending on these factors, it is expected that a cursory review be undertaken annually, and a more formal review occurring every three to five years. A significant event, such as a merger or acquisition, a fatality or significant injury or incident, or an identified material breach of the Occupational Health and Safety Management System, may trigger an earlier or more frequent review.

Following a review, improvements should be identified and implemented where required. ‘Where required’ would include when the Management System has been found to:
- Not be fully effective in meeting its objectives
- Not meeting stakeholder expectations
- Not aligned with emerging best practices
- Not meeting legislative requirements.

It is expected that during an initial Certification Audit an Entity may have just implemented some of their Policies and a review may not yet have been conducted. In these cases, it is expected that Criterion 11.3 would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance / Re-certification Audits would verify the review was conducted as planned.

For additional information see ISO 45001: Occupational health and safety Management Systems. For additional information on performance indicators for Bauxite Mines see the ICMM Health and Safety Performance Indicators.

11.43 Employee Engagement on Health and Safety

The Entity shall provide Workers with a mechanism, such as a joint health and safety committee, by which they can raise, discuss and participate in the resolution of Occupational Health and Safety issues with management.

Points to consider:
- Workers should be able to freely choose their representatives in the process (such as on a committee), for example through a Labour Union or workforce nominations/elections.
  - While on-site Contractors may not be eligible to participate on a committee in some situation, the committee or similar should still function as a mechanism by which they can raise health and safety issues.
- The mechanism should allow for discussion to be held on a regular basis and in response to incidents or a newly identified risk or hazard. It can also be used to address both short and long-term health trends identified by employees, Contractors and management.
  - Workers should be able to raise health and safety issues without fear of criticism or reprisal.
  - A record of meetings should be maintained, including matters discussed and actions undertaken with clear timeframes and responsibilities.
Consider additional informal processes, such as suggestion boxes, ‘Safety Shares’, or team meetings, for consulting Workers about health and safety issues or improvements.

- Also consider gender, language and levels of education when developing these additional processes.

This Criterion can be implemented in conjunction with Criterion 10.5 on Communication and Engagement of Workers.

### 11.3 OH&S Performance

The Entity shall evaluate its Occupational Health and Safety performance using lagging and leading indicators, compare this with peers and best practices where available, and strive to continuously improve.

**Points to consider:**

- Identify relevant health and safety leading and lagging indicators, according to specific industry guidance, and monitor performance relating to these indicators on a regular basis.

  - Lagging indicators are the traditional safety metrics used to measure the reactive nature of safety performance. Lagging indicators include injury frequency and severity, lost time and workers compensation costs. Leading indicators in safety provide a means to predict performance and used to drive activities that identify hazards, and prevent or control the severity of injuries. Leading indicators include number of safety audits, number or Workers trained reduction in risk profiles or Worker survey results. Both leading and lagging indicators can help Entities measure and improve its occupational health and safety performance.

  - Larger workplaces or organisations often monitor progress against targets and it is noted that smaller business may not always be able to compare its performance with peers.

- Performance indicators should be jointly agreed with management and workers (or their representatives).

- Regularly review industry best practices of peers comparable in size and/or geographic location and benchmark your own practices and performance to identify opportunities for improvement.

- Investigate health and safety incidents and feed the results into reviews of the controls of the related hazards, to identify opportunities for improvement.

  - Include near-miss situations, where the direct consequences were inconsequential but the possible consequences could have been serious.

  - Ensure the implementation of corrective actions are tracked, and once in place, determine the effectiveness of these actions at preventing a recurrence.

  - Investigation teams and should include a mix of management and workers (or their representatives).

- Learnings and actions from incidents should be shared with all affected personnel.

Records of workplace incidents and/or performance may be required under local regulations. Where there is the potential for long latency diseases, such as noise induced hearing loss or occupational cancers, occupational health data may need to be kept for at least 30 years.
Appendix 1: Human Rights Impacts Assessment Decision Tree
Appendix 2: Example Policy for Conflict-Affected and High-Risk Areas (CAHRAs)

Example Policy for Conflict-Affected and High-Risk Areas (CAHRAs) – adapted from OECD Guidance Annex II
The following template can be further modified or adapted to suit individual Businesses, incorporated into a stand-alone Policy or integrated into a broader Policy. Your Policy can focus on Bauxite and the Aluminium supply chain (the focus of ASI’s Standards) or minerals more broadly. You can also use the OECD Guidance, including Annex II, as a reference in further developing your Policy.

1. General:
   a. This policy confirms [COMPANY NAME’S] commitment to respect Human Rights, avoid contributing to the finance of conflict, and comply with all relevant UN sanctions, resolutions and laws.
   b. We also commit to use our influence to prevent abuses by others through risk-based supply chain Due Diligence, by implementing the OECD five-step framework for responsible supply chains of minerals from Conflict-Affected and High-Risk Areas.
   c. [CONSIDER INCLUDING A BRIEF SUMMARY OF HOW YOU PLAN TO IMPLEMENT THIS POLICY. FOR EXAMPLE, HOW YOU WILL APPROACH STEPS 1 TO 5 IN THE OECD GUIDANCE, AND UNDERTAKE INDEPENDENT THIRD-PARTY AUDITS OF YOUR DUE DILIGENCE THROUGH ASI.]
   d. [CONSIDER INCLUDING INFORMATION ABOUT OR A LINK TO YOUR COMPLAINTS OR GRIEVANCE MECHANISM TO ENABLE INTERESTED PARTIES TO VOICE CONCERNS ABOUT MINERALS FROM CONFLICT-AFFECTED AREAS.]

2. Regarding serious abuses associated with the extraction, transport or trade of [Bauxite/minerals – as applicable to your Business and the scope of your policy]:
   a. We will neither tolerate, nor profit from, contribute to, assist or facilitate by any party the commission of:
      i. Torture, cruel, inhuman and degrading treatment
      ii. Forced or compulsory labour
      iii. The worst forms of Child Labour
      iv. Gross Human Rights violations and abuses such as widespread sexual violence
      v. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
   b. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 2a.

3. Regarding direct or indirect support to non-state armed groups:
   a. We will not tolerate direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals, including, but not limited to, procuring [Bauxite/minerals] from, making payments to, or otherwise assisting or equipping non-state armed groups or their affiliates, as identified by UN Security Council resolutions, who:
      i. Illegally control mine sites, transportation routes, points where [Bauxite/minerals] are traded and upstream actors in the supply chain, or
      ii. Illegally tax or extort money or [Bauxite/minerals] at mine sites, along transportation routes or at points where [Bauxite/minerals] (is/are) traded, or from intermediaries, export companies or international Traders.
   b. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3a.

4. Regarding public or private security forces:
   a. We recognise that the role of public or private security forces is to maintain the rule of law, safeguard Human Rights, provide security to workers, equipment and facilities, and protect mine sites or transportation routes from interference with legitimate extraction and trade.
   b. We will not provide direct or indirect support to public or private security forces that commit abuses described in paragraph 2a, or that act illegally as described in paragraph 3a.

5. Regarding Bribery and fraudulent misrepresentation of the origin of minerals:
   a. We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes to conceal or disguise the origin of [Bauxite/minerals], or to misrepresent the taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of [Bauxite/minerals].

6. Regarding money laundering and payment of taxes, fees and royalties due to governments:
   a. We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk of money laundering resulting from or connected to the extraction, trade, handling, transport or export of [Bauxite/minerals], derived from illegal taxation of Extortion.
   b. We support the payment and disclosure of all taxes, fees and royalties due to governments related to [Bauxite/mineral] extraction, trade and export from Conflict-Affected and High-Risk Areas.
Glossary
The Glossary has been moved to the ASI Glossary global document