

# ASI Standards Committee

Teleconference

16 March 2022

# Antitrust Compliance Policy

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*Attendees are kindly reminded that ASI is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted a Competition Policy, compliance with which is a condition of continued ASI participation.*

*Failure to abide by these laws can have extremely serious consequences for ASI and its participants, including heavy fines and, in some jurisdictions, imprisonment for individuals.*

*You are therefore asked to have due regard to this Policy today and in respect of all other ASI activities.*



# Acknowledgement of Indigenous People

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*ASI acknowledges Indigenous Peoples and their connections to their traditional lands where we and our members operate. We aim to respect cultural heritage, customs and beliefs of all Indigenous people and we pay our respects to elders past, present and emerging.*



# ASI Ways of Working

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*ASI is a multi- stakeholder organisation. Dialogue is at the heart of everything we do. It is critical to ensure that the organisation delivers on its mission. We welcome all participants and value the diversity of backgrounds, views and opinions represented in this meeting. We recognise that we have different opinions; that is the heart of healthy debate and leads to better outcomes. To ensure our meetings are successful, we need to express our views and hear the views of others in a respectful and professional way, protecting the dignity and safety of all participants and enabling full participation from all attendees.*

# Agenda

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	Topic		Time	Lead
1	a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated	e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions	5	Chair
2	Priority issues		100	ASI - Chris
3	Next Steps		10	ASI - Chris
4	a. Agreed upon actions for Committee members b. Agreed upon actions for the Secretariat c. Close		5	Chair





# 1a,b Welcome, Introduction & Apologies

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**Chair:** Kendyl Salcito (Nomogaia)

**Attendees** (<https://aluminium-stewardship.org/about-asi/asi-standards-committee/>):

Annemarie Goedmakers (Chimbo Foundation), Anthony Tufour (Arconic), Catherine Athenes (Constellium), Gesa Jauck (TRIMET), Jostein Søreide (Hydro), Marcel Pfitzer (Daimler), Nadine Schaufelberger (Ronald AG), Rosa Garcia Piñeiro (Alcoa), Stefan Rohrmus (Schüco), Steinunn Dögg Steinsen (Norðurál), Tina Björnestål (Tetra Pak), Warrick Jordan (Hunter Jobs Alliance)

**ASI Secretariat** (<https://aluminium-stewardship.org/about-asi/asi-team/>):

Billy Cheung, Chinelo Etiaba, Chris Bayliss, Ghaidaa Kotb, Klaudia Michalska, Laura Brunello, Marieke van der Mijn, Mark Annandale, Penda Diallo, Roshan Bhuyan, Thad Mermer

**Apologies:** Alexander Leutwiler (Nestlé Nespresso S.A.), Hugo Rainey (WCS), Justus Kammüller (WWF)

**Proxies:** Chair for Hugo Rainey (WCS)

## 1c Objectives

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1. Adopt minutes of the previous meeting
2. Decisions on second set of priority areas for Standards revision
3. Decisions on remaining PS Principle 5 (GHG) priority areas for Standards revision

# 1d Documents Circulated

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1. ASI SC Teleconference 16Mar22
2. v2 DRAFT ASI SC Teleconference Minutes 2Mar22
3. Disclosure of Conflicts of Interest/Duty
4. ASI - SCMemberApptProxyForm 16Mar22
5. ASI –SCMemberAlternateForm 16Mar22
6. NOT FOR PUBLIC 2nd Public Consultation log 11-03-2021
- 7a. 11-03-2022 Latest DRAFT ASI Chain of Custody Standard Guidance V3.0
- 7b. 11-03-2022 Latest DRAFT ASI Performance Standard Guidance V3.0
8. Note to SC on Russia-Ukraine 090322



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

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e) Approval of Previous meeting minutes draft: 2 March 2022 will be published on the ASI website.

Minutes approved with one amendment: one attendee was missing and this was amended.

e) Conflicts of Interest/Duty

*Disclosure sent with meeting package*

# 1g Log of Actions

Meeting where Action was Identified	Assigned To	Action	Date Due
24Mar2021	Secretariat	Ensure that there is time to be dedicated to discussing the Theory of Change and M&E program post-revision.	Post-revision
15Sep2021	Secretariat	Include 2020 AECOM Impartiality Review as agenda item for discussion.	Early 2022
15Sep2021	Secretariat	'Horizon Issues' (from the ASI August Newsletter) to be put on the agenda and ASI will present the origin and context of this piece of work.	Early 2022
01Dec2022	Secretariat	Circulate non-exhaustive list of topics for post-consultation consideration	Jan 2022 - CLOSED

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- Secretariat: list of priority issues is expanding and priorities changing following various Working Groups meetings.

## 2 – Priority issues – Log of comments

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- We will work from the log of comments today:
  - ‘NOT FOR PUBLIC 2nd Public Consultation log 11-03-2021.xlsx’
  - Filter column ‘SC meeting number’ by 2 (16 Mar)”.
- Log comments on the slide.
- Consideration and discussion of Column ‘Secretariat Recommendation to SC, based on HRWG and IPAF input.
- GHG-related issues from last meeting.

## 2 – Priority issues – Logged items to address today

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### 1. HRWG/IPAF Recommendations:

- Definition of 'Customary Law'
- Closure, Decommissioning and Divestment
- Complaints Resolution Mechanism
- FPIC
- From 'co-operation' to 'participation'
- Displacement (physical and economic)
- Gender-responsiveness
- Legacy issues
- OECD/9.8
- Freedom of Association
- Labour rights
- Violence & Harassment / Disciplinary Practices
- Working time and remuneration
- OHS

### 2. Principle 5: GHG – feedback & last meeting remaining issues

- Disclosed energy data verification
- Energy Attribution Certificates for Scope 2
- Scope 3 verification
- Beyond Value Chain Mitigation

# Customary Law

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## **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.*

## **Glossary**

Interrelated sets of customary rights may be recognized as customary law. In some jurisdictions, customary law is equivalent to statutory law, within its defined area of competence and may replace the statutory law for defined ethnic or other social groups. In some jurisdictions customary law complements statutory law and is applied in specified circumstances (Source: Based on N.L. Peluso and P. Vandergeest. 2001. Genealogies of the political forest and customary rights in Indonesia, Malaysia and Thailand, Journal of Asian Studies 60(3):761–812).

In the context of the Standard Customary Law is not meant to mean international customary law as defined by the International Court of Justice

## **Guidance**

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





# Customary Law

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>The current definition of what constitutes customary law is unclear.</p> <p>The following is a proposed alternative.</p>	<p>"Customary law is a set of customs, practices and beliefs that are accepted as obligatory rules of conduct by indigenous peoples and local communities. Customary law forms an intrinsic part of their social and economic systems and way of life.</p> <p>What characterizes customary law is precisely that it consists of a group of customs that are recognized and shared collectively by a community, people, tribe, ethnic or religious group. This contrasts with written law emanating from a constituted political authority, the application of which is in the hands of that authority, generally the State."</p>	<p>Guidance already includes reference - worth a final IPAF look</p> <p>HRWG: do you agree that the guidance is unclear (glossary and guidance)? Secretariat doesn't.</p>	<p>No change to Guidance or Glossary</p>
<p>The current definition of what constitutes customary law is unclear.</p> <p>The following is a proposed alternative.</p>	<p>"Customary law is a set of customs, practices and beliefs that are accepted as obligatory rules of conduct by indigenous peoples and local communities. Customary law forms an intrinsic part of their social and economic systems and way of life.</p> <p>What characterizes customary law is precisely that it consists of a group of customs that are recognized and shared collectively by a community, people, tribe, ethnic or religious group. This contrasts with written law emanating from a constituted political authority, the application of which is in the hands of that authority, generally the State."</p>	<p>Guidance already includes reference - worth a final IPAF look</p> <p>HRWG: do you agree that the guidance is unclear (glossary and guidance)? Secretariat doesn't.</p>	
<p>Customary Law compliance could be a challenge in some regions where there is no documented code of customary laws and in some cases customary law is not fully disclosed to non-Indigenous peoples. There is therefore not an ability for us to "ensure" compliance with customary law – suggest this is changed to "seek to understand and conform with relevant aspects of customary law".</p>	<p>The Entity shall have systems in place to maintain awareness of and ensure Compliance with Applicable Law and seek to understand and conform with relevant aspects of Customary Law. Where a conflict exists between the two the Entity shall prioritize Applicable Law..</p>	<p>Guidance already includes reference - worth a final IPAF look</p>	
<p>A clear reference to "customary law" is missing and this could create uncertainty.</p>	<p>Delete "Customary Law" and last sentence of 1.1.</p>	<p>Guidance already includes reference - worth a final IPAF look - as above</p>	
<p>Customary Law is normally very ill defined and should not be referenced here at all. This creates huge uncertainty in the interpretation of Standard requirements and will cause nothing but futile debate. How would one identify "customary law" and where would one find the reference data base on this? Don't think this is practicable!</p>	<p>Delete "Customary Law" and last sentence of 1.1.</p>	<p>Guidance already includes reference - worth a final IPAF look as a bove</p>	

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- Secretariat in chat: see suggested wording from IPAF. "Customary law is a set of customs, practices and beliefs that are accepted as obligatory rules of conduct by indigenous peoples and local communities. Customary law forms an intrinsic part of their social and economic systems and way of life inherited from generation to generation."
  - HRWG and IPAF recommendation: differentiation between Applicable Law and Customary Law (former: to ensure compliance with, latter: seek to understand and conform): 'The Entity shall have systems in place to maintain awareness of and ensure Compliance with Applicable Law and seek to understand and conform with relevant aspects of Customary Law. Where a conflict exists between the two the Entity shall prioritize Applicable Law.'
  - **The Standards Committee agreed with that recommendation and the Secretariat will make that change.**

# Closure

## 2.10 Closure, Decommissioning and Divestment

a. Review environmental, social and governance issues in the planning process for closure, decommissioning and divestment.

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

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
This criterion seems extremely impractical for most cases.	delete 2.10 b	LB: no rationale for deleting given, the criterion also states 'where possible within the bounds of commercial sensitivity'	This criterion is designed for v. large footprint upstream mining/refining/smelting, guidance can make it clear that in an industrial zones it's not possible to do that. Clarify that it's not a procedure, but a plan to have in advance
Seriously, if we were to go out into the public and discuss (theoretical) plans for closure with our neighbors or other affected populations in Germany, we would be out of business within days! Our customers would hear, our banks would hear and they would cease business with us immediately! Banks would be calling in their loans and credits, credit insurers would be cancelling their credit lines, suppliers would be asking to have their invoices paid immediately.	delete 2.10 b	LB: no rationale for deleting given, the criterion also states 'where possible within the bounds of commercial sensitivity'	<p>CRITERION:</p> <p>b. Where possible <del>within the bounds</del> of commercial sensitivity and in Consultation and cooperation with Affected Populations and Organisations, the Entity shall consultatively develop a plan for post-closure, -decommissioning and -divestment monitoring of material environmental, social and governance impacts, including Legacy Impacts, associated with the closure, decommission or divestment.</p> <p>GUIDANCE:</p> <ul style="list-style-type: none"> <li>- timing of plan (relationship to FPIC; when to develop and communicate)</li> <li>- clarity that the plan is the object of the criterion, not its implementation/management</li> <li>- Consultative process (communities who bear the impacts can be kept in the dark, engagement process includes to talk them through what the company has for post-closure, It's useful information point for them, well in advance of any plans.)</li> <li>- Risk based approach – assess risks associated with divestment and plan accordingly.</li> </ul>

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- IPAF suggestions to pull apart and talk about ‘where possible’: “Where possible within the bounds of commercial sensitivity and in Consultation and, where possible with the participation of, Affected Populations and Organisations, the Entity shall develop a plan for monitoring of material environmental, social and governance impacts, including Legacy Impacts, associated with the closure, decommission or divestment.”. Change to guidance, clarification
  - A participant clarified that misappreciation in comment was the belief that it was going to be timed right before the closure/sale, but the Guidance should specify that the plan should be made well in advance of any plan to close, make sure that consultation with community, so that they are insight/have input in that process.
  - **The Standards Committee agreed to combine IPAF and HRWG input in the criterion and articulate that in the Guidance. The Secretariat will make that change.**

# Stakeholder Complaints, Grievances and Requests for information

- 3.4 The Entity shall:
- a. Implement a Complaints Resolution Mechanism that is:
    - i. ~~Accessible~~ Legitimate
    - ii. ~~Transparent~~ Accessible
    - iii. ~~Understandable~~ Predictable
    - iv. ~~Culturally sensitive~~ Equitable
    - v. ~~Gender sensitive~~ Transparent
    - vi. Rights-compatible
    - vii. A source of continuous learning
    - viii. Based on engagement and dialogue and.
    - ix. Adequate to address AOP's complaints, grievances and requests for information

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>We recommend that the criteria set out in 3.4(a) align with the UN Guiding Principles on Business and Human Rights effectiveness criteria: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.</p>	<p>Implement a Complaints Resolution Mechanisms that is,</p> <ul style="list-style-type: none"> <li>i. legitimate</li> <li>ii. accessible</li> <li>iii. predictable</li> <li>iv. equitable</li> <li>v. transparent</li> <li>vi. rights-compatible</li> <li>vii. a source of continuous learning, and</li> <li>viii. based on engagement and dialogue.</li> </ul>		<p>Participants thought this was a significant area for improvement but in interim alignment with UNGP makes sense</p> <p>Secretariat has rearranged existing guidance, seeking input on “legitimacy” and “equitability” (suggestion from participant: <a href="https://www.remedyproject.co/">https://www.remedyproject.co/</a>)</p> <p>Can explore guidance (and criterion) update post revision</p>
<p>Effectiveness criteria for the Complaints Resolution Mechanisms should be aligned with the effectiveness criteria elaborated in the UN GPs. This would not only enable consistency with widely-accepted and well-developed international standards but also prevent any confusion over the interpretation or implementation of the new criteria introduced by the ASI.</p>	<p>As above</p>		<p>As above</p>



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- **The Standards Committee agreed with that recommendation and the Secretariat will make that change.**



# FPIC

## 9.4 Free Prior and Informed Consent (FPIC)

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 **within the Entity's Area of Influence**, 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, **energy** or other resources.
- b. Where engaged in Bauxite Mining:
  - i. Prior to commencing 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

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
Expand 9.4c or introduce a new 9.4d to publicly disclose the outcome from the consent process (i.e. consent given or not given) by the Indigenous Peoples community.		CLD: IPAF input sought	<p>HRWG: disclosed to community (reaches the audience) – PD implies website or broader audiences</p> <p>No change to criterion</p>
The meaning of “demonstrate that the consent is supported by the Indigenous Peoples community” in 9.4(c) is a little confusing, particularly given that 9.4(a) and (b) do not explicitly require entities to obtain free, prior, and informed consent (they only require entities to consult and cooperate in good faith in order to obtain such consent). Please clarify what is meant by the wording in 9.4(c).		Suggested: c. And demonstrate, through public disclosure, that the consent is supported by the Indigenous Peoples community	<p>Guidance update:</p> <ul style="list-style-type: none"> <li>• - disclosed to community in a form that is understood (oral, textual, graphical or other as appropriate;</li> <li>• With due consideration of confidentiality &amp; [use language on risk]...in another criterion</li> </ul>

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- **The Standards Committee agreed with that recommendation and the Secretariat will make that change.**

# FPIC

## 9.5 Cultural and Sacred Heritage

- a. The Entity, in Consultation and in cooperation with affected Communities, shall 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, the Entity shall obtain the FPIC of Indigenous Peoples

## 9.6 Resettlements

- b. When physical or economic 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
- e. Where Indigenous Peoples’ are involved in the resettlement, the Entity shall obtain the FPIC of the Indigenous Peoples.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>Suggest aligning the wording in 9.5(b) and 9.6(e) with the wording in International Finance Corporation Performance Standard (IFC PS) 7.</p> <p>The current drafting of 9.5(b) requires FPIC to be obtained where Indigenous Peoples’ sacred or cultural heritage sites and values may be impacted, which is broader than IFC PS 7, which states that priority should be given the avoiding significant impacts on critical cultural heritage and FPIC should be obtained where such impacts are unavoidable.</p> <p>The current drafting of 9.6(e) requires FPIC to be obtained where Indigenous Peoples are involved in a resettlement, however, it does not state that relocated Indigenous Peoples should be able to return to their traditional or customary lands, where feasible, which is set out in IFC PS 7.</p>	<p>9.5(b) Where a project may significantly impact on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, priority shall be given to the avoidance of such impacts. Where significant project impacts on critical cultural heritage are unavoidable, the Entity shall obtain the FPIC of the Indigenous Peoples.</p> <p>9.6(e) Where Indigenous Peoples are involved in a resettlement that is unavoidable, the Entity shall obtain the FPIC of Indigenous Peoples. Where feasible, the resettled Indigenous Peoples should be able to return to their traditional or customary lands, should the cause of their resettlement cease to exist.</p>		<p>No change</p> <p>Opposed to IFC alignment – ASI is higher standard</p>

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- IPAF input: to expand the language on certain criteria, in terms of mitigation hierarchy: 9.5(b) Where a project may significantly impact on critical cultural / historical/ Spiritual heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, priority shall be given to the avoidance of such impacts. Where significant project impacts on critical cultural heritage are unavoidable, the Entity shall obtain the FPIC of the Indigenous Peoples.

9.6(e) Where Indigenous Peoples are involved in a resettlement that is unavoidable, the Entity shall obtain the FPIC of Indigenous Peoples. Where feasible, the resettled Indigenous Peoples should be able to return to their traditional or customary lands, should the cause of their resettlement cease to exist.

- A participant noted that it isn't solely Indigenous People who have sacred and cultural heritage sites, also communities.
- Secretariat proposed to change the wording of 9.5a to 'Affected Populations and Organisations'
- One participant pointed that in some industrialized places it's absurd to start a process to protect heritage sites (that's the government's job)
- One participant responded by stating that in lots of parts of the African continent, FPIC should be related to Affected Populations and Organisations.
- The Secretariat proposed to explore post-revision what can be done in terms of informed consent for wider community.

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- Secretariat/IPAF: a lot of communities identify as local communities, and not Indigenous Peoples, but FPIC would apply to that context. FPIC is not exclusive of communities, it's mean to be an inclusive discussion.
  - A participant responded that this isn't clear in the text, and an auditor relies on the Standard text.
  - **The Standards Committee agreed with changing the wording of 9.5a to 'Affected Populations and Organisations' and the Secretariat will make that change.**

# From 'co-operation' to 'participation'

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Wording throughout the standard is 'in consultation and in cooperation':

- **2.9bii (Mergers and Acquisitions)** *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.*
- **2.10b (Closure, Decommissioning and Divestments)** *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.*

**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. *Develop a plan in Consultation and in cooperation with local Communities to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts, including health and safety, Human Rights and environmental impacts n the local Community resulting from its activities.*

**2.10b (Closure, Decommissioning and Divestments)** *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.*

**8.7e Mine Rehabilitation.** *The Entity shall:*

*Ensure the Mine Rehabilitation and closure plan is developed in Consultation and in cooperation with Affected Populations and Organisations and designed by a Qualified Specialist.*

**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. *Develop a plan in Consultation and in cooperation with local Communities to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts, including health and safety, Human Rights and environmental impacts n the local Community resulting from its activities.*

- And 8.2b, 8.7b, 9.1b, 9.5a, 9.6b, 9.7b...





# From 'co-operation' to 'participation'

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>Consider change the word “cooperation” with “participation”. The company has the obligation to provide the opportunity for stakeholders to be fully engaged in the decision making however stakeholders have a right to chose whether or not they wish to cooperate.</p> <p>It should be noted that the same "in cooperation" wording also appears in other places within the Performance Standard and should be reviewed in relation to the above commentary. Other clauses are: 8.1 b / 8.2 b / 8.7 b / 9.1 b / 9.5 a / 9.6 b / 9.7 b</p>	<p><b>2.b)ii).</b> In Consultation and in participation with Affected Populations and Organisations develop an impact mitigation plan to mitigate any identified material significant impacts of the Historic Aluminium Operation.</p>	<p>IPAF and SC decision on this standards-wide</p>	<p>Replace "cooperation" with "participation" throughout standard</p>
<p><b>2.10b</b> Consider change of wording to remove duplication that causes confusion and to recognize that affected people and organisations may chose not to participate in planning.</p>	<p><b>2.10b:</b> “Where possible within the bounds of commercial sensitivity and in Consultation <u>and, where possible with the participation of,</u> Affected Populations and Organisations, the Entity shall develop a plan for monitoring of material environmental, social and governance impacts, including Legacy Impacts, associated with the closure, decommission or divestment.”</p>	<p>IPAF and SC decision on this standards-wide</p>	<p>And include reference to ‘Community-based Participatory Planning (CBPP)’ in Guidance</p>
<p><b>8.7e</b> Consider use “engagement” instead of “consultation and in cooperation”</p>	<p><b>8.7e</b> Ensure the Mine Rehabilitation and closure plan is developed with the engagement of Affected Populations and Organisations</p>	<p>IPAF and SC decision on this standards-wide</p>	

# From 'co-operation' to 'participation'/engagement

## 2.5 Environmental and Social Impact Assessments. The Entity shall:

- a. Conduct an environmental and social Impact Assessment for New Projects or Major Changes to existing Facilities.
- b. Ensure Impact Assessments 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 required, remediate any material 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 and social impact management plan and the review.

## 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. Develop a plan in Consultation and in cooperation with local Communities to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts, including health and safety, Human Rights and environmental impacts in the local Community resulting from its activities.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
This section (2.5) falls short of the engagement and public consultation requirements for an ESIA as noted in IFC Performance Standard 1 or the IRMA Responsible Mining Standard (for ASI members with mining activities) , the IRMA draft Responsible Mineral Processes Standard (for ASI members with refining activities).	Consider cross referencing these standards.	LB: cross reference in the Guidance?	Agree to cross reference in guidance
Guidance (9.7) remains focussed on bauxite mining & rural places. No clear guidance of what it means for an industrial site in a regulated area.- ISO 45001	have a wording of criteria which is appropriate for some parts of the value chain	Laura: propose to change the wording from 'Local Communities' (which isn't in the Glossary right now) to 'Affected Populations and Organisations', as it encompasses 'potentially impacted local communities', and to amend the wording of criterion 'Where the Entity has established a process to identify AOPs and AOP's are identified, the Entity shall....' (or put under 'Application')	<b>9.7'Affected Populations and Organisations. The Entity shall:</b> <ol style="list-style-type: none"> <li>a. <i>Respect the legal and customary rights and interests of Affected Populations and Organisations in their lands and livelihoods and their use of natural resources</i></li> <li>b. <i>Develop a plan in Consultation and in cooperation with Affected Populations and Organisations to monitor, avoid, minimize, reduce and compensate for any significant adverse impacts, including health and safety, Human Rights and environmental impacts resulting from its activities.</i></li> </ol>

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- IPAF suggestion on engagement: 8.7e 'Ensure the Mine Rehabilitation and closure plan is developed with the engagement of Affected Populations and Organisations. Engagement is right term.
  - IPAF suggestion on 9.7 'Develop a plan in Consultation and in cooperation with local Communities to identify, prevent, mitigate and account for any involvement in any significant adverse impacts, including health and safety, social and Cultural human rights and environmental impacts on the local Community resulting from its activities.'
  - **The Standards Committee agreed with the recommendations and the Secretariat will make that change.**

# Displacement/compensation

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## 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 or economic 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.

## 9.7 Local Communities

The Entity shall respect the legal and customary rights and interests of local Communities in their lands and livelihoods and their use of natural resources in ways appropriate to its size and circumstances, including as a minimum:

- a. Develop a plan in Consultation and in cooperation with local Communities to monitor, avoid, minimize, reduce and compensate for any significant impacts, including health and safety, human rights and environmental impacts on the local Community resulting from its activities.
- b. etc



# Displacement

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>In addition to the process criteria in the current draft of the standard, Section 9.6 should focus more clearly on addressing the outcome of physical and economic displacement on affected populations, broadly in line with the objectives of the IFC's Performance Standard 5 (Land Acquisition and Involuntary Resettlement).</p>	<p>Additional outcome-oriented criteria on economic and physical displacement, based on IFC PS 5, could include:</p> <ul style="list-style-type: none"> <li>- The entity must avoid and minimize physical and economic displacement by exploring all feasible alternatives.</li> <li>- The entity must provide equivalent replacements or replacement cost compensation for loss of all assets, including land.</li> <li>- Affected peoples' livelihoods and living standards must be improved, or at minimum restored.</li> <li>- Where resettlement occurs, affected peoples' living conditions must be improved, including through the provision of adequate housing and security of tenure at resettlement sites.</li> <li>- The entity must disclose all relevant information to and meaningfully consult affected people, to ensure their informed participation in resettlement activities and decision-making.</li> </ul>	<p>CLD:</p> <ul style="list-style-type: none"> <li>- Strengthen language 9.6a: "In project designs: avoid or minimise physical and/or economic displacement by considering all feasible alternatives, while balancing environmental ..."</li> <li>- Add a new subcriterion or strengthen 9.6b to require to provide equivalent replacements or replacement cost compensation for loss of all assets, including land + to improve affected peoples' living conditions, including through the provision of adequate housing and security of tenure at resettlement sites. (Though this induced by c. "...to ensure that living condition and income generating options equal or exceed those prior to resettlement", it is not clearly required in b.)</li> </ul>	<p><b>"9.6 Displacement</b> The Entity shall:</p> <ul style="list-style-type: none"> <li>a. Consider feasible alternatives in project designs 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.</li> </ul> <p>When physical or economic displacement is unavoidable the Entity shall:</p> <ul style="list-style-type: none"> <li>b. In Consultation and in cooperation with Affected Populations and Organisations, develop a Resettlement Action Plan that covers, at a minimum:               <ul style="list-style-type: none"> <li>i. the applicable requirements of IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement)</li> <li>ii. compliance with Applicable Law regardless of the number of people affected</li> <li>iii. living conditions and income generating options, which should equal or exceed those prior to resettlement.</li> </ul> </li> <li>c. Etc"</li> </ul>

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- **The Standards Committee agreed with the recommendations and the Secretariat will make that change.**



# Displacement

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>New language should be added to the Guidance at sections 9.6(b) (especially) and 9.6(c), (d) to provide more detail on how to address economic as well as physical displacement. This does not mean simply amending the existing guidance on physical displacement to include economic but instead integrating additional guidance on economic displacement from relevant standards, such as the International Finance Corporation's Performance Standard 5 (Land Acquisition and Involuntary Resettlement) and the related Guidance Note 5.</p>	<p>ASI should refer to the specific language on economic displacement in the International Finance Corporation's Performance Standard 5 (Land Acquisition and Involuntary Resettlement) and the related Guidance Note 5. IRMA's standard also has strong language on economic displacement at p. 62. <a href="https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018-1.pdf">https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018-1.pdf</a>. The standard should also require benefit sharing, whereby local communities, whose land and resources are affected by mining activities, share in the profits of mining and receive development benefits.</p>	<p>CLD:                      - Add guidance around economic displacements (extract examples from IFC 5)                      - Discussion around benefit sharing to have post-revision</p>	<p>Include examples from IFC 5 on economic displacements in the Guidance</p> <p>Discuss benefit sharing post-revision</p>
<p>New language should be added to the Standard on resettlement requiring baseline socio economic surveys, post resettlement surveys and completion reports for all physical and economic displacement to demonstrate that the outcome requirements for resettlement in IFC PS 5 have been met (e.g. That the entity has provided equivalent replacement land and other assets (or replacement cost compensation); that affected people's livelihoods and living standards have been at minimum restored; adequate housing with security of tenure has been provided, etc.)</p>		<p>CLD:                      - Add to Guidance suggestions to conduct baseline socio economic surveys, and post resettlement surveys (Criterion is not supposed to prescribe how to conduct Resettlement Action Plan, and already covered to do it in consultation and incooperation with affected pops)</p>	<p>Post-revision: Guidance to conduct baseline socio economic surveys, and post resettlement surveys</p>
<p>9.7: We would suggest sticking closer to the language of the UN Guiding Principles here and not using the word "compensate" given that there may be other forms of remediation that are appropriate.</p>	<p>Develop a plan in Consultation and in cooperation with local Communities to identify, prevent, mitigate and account for any involvement in any significant adverse impacts, including health and safety, human rights and environmental impacts on the local Community resulting from its activities.</p>	<p>HRWG - agree with commentator or not?</p>	<p>Agree with commentator wording &amp; alignment with UNGP</p>

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- A participant asked: is there a hierarchy between economic displacement and physical? Still better to compensate?
  - Secretariat: no, its first avoidance, minimization, THEN compensation.
  - Secretariat/IPAF: for a number of these things its hard to place a monetary value. First step should be to avoid, minimize, mitigate those impacts, and then through FPIC look for solutions.
  - A member of the IPAF noted that displacement can also greatly affect cultural, linguistic, spiritual characteristics, and thus displacement should really be as a last resort, and this needs to be reflected in the language. IPAF suggestion is to include 'cultural', suggested wording: 'Develop a plan in Consultation and in cooperation with local Communities to identify, prevent, mitigate and account for any involvement in any significant adverse impacts, including health and safety, social and Cultural human rights and environmental impacts on the local Community resulting from its activities.'
  - A participant also noted that the language of 'Affected Populations and Organisations' should be applied *throughout* the Standard, to have everything included.
  - Secretariat: agreed to use these defined terms throughout.
  - **Standards Committee agreed on the inclusion of proposed IPAF wording and using defined terms throughout.**

# Gender-responsive

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## 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 its size and circumstances, including as a minimum:

- a. A publicly disclosed, gender-responsive Policy commitment to respect Human Rights.
- 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 Legacy Impacts for the Entities own operations and for products or services provided through business relationships.

# Gender-responsive

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>"Gender-responsive" needs better explaining and be provided a reason for it being selected as particularly important as opposed to all other rights. The suggested insertion of this should be given a rationale in the guidance and also explained what it would look like as compared to a "standard" policy commitment and DD process.</p>		<p>CLD: this is part of a strengthening of the gender lens throughout the Standard. For 9.1 specifically this addition comes from the lack of gender-sensitive data indicators to gender-biased collection methodologies, the absence of the most basic reliable data has led to the development and implementation of policies and programs that do not account for the various barriers women (and gender nonbinary persons) face or the number of women who face them.</p> <p>The importance of collecting gender-disaggregated data as part of the due diligence assessment process has been highlighted numerous times in the Gender Dimensions of the UNGPs.</p> <p>Gender-responsive policy commitment to respect human rights means taking a more deliberate approach to identifying and mitigating the differentiated and disproportionate impact of activities on women and girls (and gender nonbinary persons).</p> <p>Suggested options:</p> <ul style="list-style-type: none"> <li>- Add a definition of gender responsive in Glossary</li> <li>- Clarify in Guidance what is additionally expected to comply with "gender-responsive" component</li> <li>- Reference BSR's framework for Conducting Gender Responsive Due Diligence in Supply Chains <a href="https://www.bsr.org/en/our-insights/report-view/making-women-workers-count-gender-responsive-due-diligence-report">https://www.bsr.org/en/our-insights/report-view/making-women-workers-count-gender-responsive-due-diligence-report</a></li> </ul>	<p><b>No change to criterion</b></p> <p><b>Add gender-responsive definition in the Glossary:</b>  <b>"Gender responsiveness refers to outcomes that reflect an understanding of gender roles and inequalities and which make an effort to encourage equal participation and equal and fair distribution of benefits. Gender responsiveness is accomplished through gender analysis and gender inclusiveness."</b> (from UNDP Gender Responsive National Communications Toolkit, <a href="https://www.undp.org/content/dam/undp/library/gender/UNDP%20Gender%20Responsive%20National%20Communications%20Toolkit.pdf">https://www.undp.org/content/dam/undp/library/gender/UNDP%20Gender%20Responsive%20National%20Communications%20Toolkit.pdf</a>)</p> <p><b>Provide context in the Guidance</b></p> <ul style="list-style-type: none"> <li>- Due to a lack of gender-sensitive data indicators, gender-biased collection methodologies, and the absence of the most basic reliable data, the development and implementation of policies and programs usually do not account for the various barriers women (and gender nonbinary persons) face or the number of women who face them. Collecting gender-disaggregated data as part of the due diligence assessment process is thus critical, and has been highlighted numerous times in the Gender Dimensions of the UNGPs.</li> <li>- Adopting a gender-responsive policy commitment to respect human rights means taking a more deliberate approach to identifying and mitigating the differentiated and disproportionate impact of activities on women and girls (and gender nonbinary persons).</li> <li>- Reference BSR's framework for Conducting Gender Responsive Due Diligence in Supply Chains <a href="https://www.bsr.org/en/our-insights/report-view/making-women-workers-count-gender-responsive-due-diligence-report">https://www.bsr.org/en/our-insights/report-view/making-women-workers-count-gender-responsive-due-diligence-report</a></li> </ul> <p><b>HRWG: Post-revision companies (and other members) want training "beyond certification" on gender (and other social-related issues): tools as well as guidance on how they respond to highly dynamic discussions. Instructions on where to look</b></p>

# Gender-responsive

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>We believe that the gender elements can be addressed adequately through 9.2 and do not need to be included in 9.1 (a) and (b). Given that human rights policy commitments and due diligence processes will need to take into account many different lens it could be counterproductive to highlight gender here rather than elsewhere. We believe the gender lens is very important but query whether it fits the best in 9.1 (a) and (b) especially given 9.2. The legacy impacts language is now quite broad and appears to extend to any legacy impacts relating to the provision of goods and services. Given many companies are still working through how to address the legacy impacts of their own operations we would suggest limiting the text for now to that category of legacy impact.</p>	<p>Suggest removing gender responsive references in 9.1 (a) and (b) and relying instead on the text in 9.2. On legacy impacts suggest rephrasing to: "including any material legacy impacts for the Entities' own operations."</p>	<p>Also see legacy impact aspect</p>	<p>As above re gender-responsive no change to Criterion</p>
<p>Ahm, how would a "gender-responsive" policy commitment meeting the expectation possibly look like? What differentiates a "gender-responsive" HRDD process from a standard (for example OECD-inspired) process? Unless this is clarified in the Glossary and only if this additional quality would create added value in comparison to OECD and other referenced HRDD approaches not labelled "gender-responsive", this term could stay in.</p> <p>See my general comment on "auditability" of Standard text.</p>	<p>delete ill-defined term "gender-responsive"</p>	<p>See comment above</p>	<p>As above</p>

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- **The Standards Committee agreed with the recommendations and the Secretariat will make the appropriate change(s).**

# Legacy issues

## 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 its size and circumstances, including as a minimum:

- a. A publicly disclosed, gender-responsive Policy commitment to respect Human Rights.
- 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 Legacy Impacts for the Entities own operations and for products or services provided through business relationships.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>The Performance Standard and Assurance Manual should clarify how entities should address legacy human rights issues affecting their operations, including both human rights abuses that occurred prior to the entity joining ASI, but which have not been remedied, and human rights abuses that began prior to the entity joining ASI but which are continuing at the time of the ASI certification. The only current reference to legacy impacts is in criteria 9.1 (Human Rights Due Diligence), requiring that a human rights due diligence plan consider how to address legacy impacts.</p>		<p>...and into post-revision. Critical discussion to be had on legacy vs outstanding issues</p>	<p>Post-revision Big topic – get on this asap – elevate as a priority  HRWG sympathized and agreed with the commentator but too large a topic to address in this period</p>

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- **The Standards Committee agreed with the recommendation.**



# OECD / Criterion 9.8

## 9.8 Conflict-Affected and High-Risk Areas

In order to avoid contributing to armed conflict or Human Rights abuses, the Entity shall 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.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>We need to be careful of the list of countries mentioned by the OECD report. Should the bauxite mines be included, then downstream players will not be able to do what is required unless this is an industry initiative...which is ASI! The OECD guidance for doing this due diligence when it comes to downstream player and specifically mid stream players is simply not possible. If ASI certification cannot be used then what is the purpose of ASI in the first place.</p>	<p>keep the scope on conflict minerals. Consider the ASI certification as a valid way to manage risk of high risk areas. Adapt for downstream players who are too far from the mines and who actually rely on ASI to help manage these risks.</p>	<p>Cannot change due to LME Alignment Assessment</p>	<p>SC already addressed</p>
<p>Under "Points to Consider" the standard says CAHRAs are defined by OECD, but OECD defines them variously in different documents. LME is really clear that it prefers the definition from the gold supplement. Propose using that definition in "Points to Consider" (p. 142) as well as in the text box (p. 146).</p>	<p>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). [INSERTED LANGUAGE STARTS HERE] CAHRAs are defined under the OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas (the 'OECD Guidance'): as "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." OECD elaborates: "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." (OECD Gold Supplement, as referenced in LME Overview).</p>	<p>We had this definition previously and I see it was deleted in the 2nd consultation?</p>	<p>Non-issue as moved to Glossary (along with all definitions (can move back if felt necessary)</p>

# OECD / Criterion 9.8

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>We suggest adding “in conflict affected and high risk areas” after “in order to avoid contributing to armed conflict or human rights abuses “ to ensure that the expectation is limited to conflict affected and high risk areas.</p> <p>We also suggest saying “in order to avoid involvement in ..” rather than “avoid contributing to” to ensure that the criterion is capturing the whole continuum of involvement in line with the UN Guiding Principles on Business and Human Rihts.</p> <p>Also it would be useful to consider whether this criterion is too limited to supply chain due diligence whereas a raw materials company would need to look not only at supply chain issues but also operations to a greater extent. Perhaps therefore the criterion should also talk about broader human rights due diligence, linking back to criterion 1. The Guidance does reflect broader human rights due diligence expectations and perhaps the criterion itself should also be broadened out.</p>	<p>Conflict-Affected and High-Risk Areas. In order to avoid involvement in armed conflict or Human Rights abuses in conflict affected and high risk areas, the Entity shall 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</p>	<p>RECOMMENDATION to hrwg: reject first para, but propose accepting second</p>	<p>If TDI (LME alignment assessment agree (secretariat to check) change "to avoid contributing to" to "to avoid involvement in“...</p>
<p>We need to be careful of the list of countries mentioned by the OECD report. Should the bauxite mines be included, then downstream players will not be able to do what is required unless this is an industry initiative...which is ASI! The OECD guidance for doing this due diligence when it comes to downstream player and specifically mid stream players is simply not possible.</p>		<p>For Track A under LME we must be OECD aligned, which means verbatim wording in 9.8 Guidance. Not ideal but a function of LME Track A recognition</p>	<p>No change</p>

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- A participant questioned the relevance of 9.8 for companies not sourcing from CAHRA's
  - Secretariat: this is linked to CoC, which overlays the Performance Standard. We haven't made that link directly, CoC is voluntary. The CoC talks about policies for responsible sourcing, possibility to link it to that. The participant highlighted that CoC is mass balance, so it doesn't offer any guarantee, which is where the discrepancy comes in.
  - Secretariat responded that indeed that's true, and ASI will be looking at traceability alternatives to mass balance, post-revision.
  - The participant stated that implementation of 9.8 remains very difficult for downstream Entities, need to explore that in terms of SME application at least in the Guidance.
  - Secretariat: the Guidance already provides ample explanations for SMEs and ASI has also developed training about it. Downstream are not expected to identify bauxite mines, but smelters. Only from Bauxite Mine to Smelter is there an expectation to identify the Bauxite mine (as explained in Guidance of 9.8).
  - **The SC agreed for the Secretariat to make this more evident in the Guidance : what the steps for DD are according to where in the value chain you sit.**
  - **The SC agreed with the other recommendations related to 9.8.**

# Freedom of Association

## 10.1 Freedom of Association and Right to Collective Bargaining

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 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.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>Legislation brings a large difference in terms of respect of freedom of association into the standard between operators depending on the country they operate in. It is not clear what can be really achieved in countries where legislation prevents freedom of association and why the standard would deliver the same certification for practices that cannot be truly checked against a standard. The purpose of this standard is to bring improvement.</p>	<p>The conditions for such companies should be more strict/ there should be a specific audit done by qualified specialists to audit this topic</p>	<p>CLD: Previous SC discussions already raised that company should demonstrate what actions they are taking to facilitate engagement of workers and collective input in contexts where unions are not permitted is an important task.</p> <p>Suggested options:            - Tighten Criterion language to improve auditability. E.g. Responsible Steel language is "Where national law restricts workers' organisations, the site has evidence showing that it respects and does not obstruct legal alternative means for workers to associate freely."</p> <p>Tighten criterion language to improve auditability e.g. "Where an Entity operates in a country where Applicable Law restricts the right to Freedom of Association and Collective Bargaining, the Entity shall demonstrate evidence of facilitating the involvement of Workers in industrial relations of the Facility through 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."</p>	<p>Promotion of alternatives, not just facilitation            Expectation that companies put something in place w <b>freely elected</b> representatives            Pro-active            Example of <a href="https://www.ethicaltoyprogram.org/en/">https://www.ethicaltoyprogram.org/en/</a>            (possibility to include in Guidance)</p> <p><b>SUB-CRITERION:</b>            "Where an Entity operates in a country where Applicable Law restricts the right to Freedom of Association and Collective Bargaining, the Entity shall promote the involvement of Workers in industrial relations of the Facility through alternative means of association that are permitted under Applicable Law.</p> <p>These alternative means shall, at a minimum, ensure a climate free of violence, pressure, fear and threat with the participation of freely elected Worker representatives engaged in a regular and formalised process."</p>

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- **The Standards Committee agreed with the recommendations and the Secretariat will make the appropriate change(s).**

# Labour rights

## 10.2 Child Labour

The Entity shall ensure:

- a. That all Workers are over the age of 15 years.
- b. Work for 15 through 17 year old's is not exploitive, Hazardous or interfering with schooling and apprenticeship programs.
- c. That there are no instances of the Worst Forms of Child Labour.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>Suggest changing (b) so that it says "work for 15 through 18 years" not 17 years as it may be misunderstood that dangerous work may be undertaken at age 17. Also suggest removing the word "exploitative" as even above 18 no work should be exploitative. One option is for (b) to focus on interference with schooling and apprenticeships and then for the hazardous element to come into (c) instead given it is a subset of the worst forms of child labour - that there are no instance of teh worst forms of child labour including is likely to harm the health, safety or morals of any child under 18".</p>	<p>Child Labour. The Entity shall ensure:</p> <ol style="list-style-type: none"> <li>a. That all Workers are over the age of 15 years.</li> <li>b. That work for 15 through 18 year old's is not interfering with schooling and apprenticeship programs.</li> <li>c. That there are no instances of the worst forms of child labour that is likely to harm the health, safety or morals of any child under 18.</li> </ol>	<p>Propose agree with recommendation - HRWG agree?</p>	<p>Agree with commentator <b>"10.2 Child Labour.</b> The Entity shall ensure:</p> <ol style="list-style-type: none"> <li>a. That all Workers are over the age of 15 years.</li> <li>b. That work for 15 through 18 year old's is not interfering with schooling and apprenticeship programs.</li> <li>c. That there are no instances of the worst forms of child labour that is likely to harm the health, safety or morals of any child under 18." </li></ol>

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- **The Standards Committee agreed with the recommendations and the Secretariat will make the appropriate change(s).**

# Labour rights

## 10.3 Forced Labour

The Entity shall neither engage in nor support the use of Forced Labour. The Entity shall:

- a. Not, either directly or through any direct or contracted employment or recruitment agencies:
  - i. Engage in or support Human Trafficking.
  - ii. Require any form of deposit, Recruitment Fee, Costs and Charges or equipment advance from Workers
  - 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. 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.
  - vii. Deny Workers the freedom to terminate their employment at any time without penalty, given notice of reasonable length.
- b. Publicly disclose an annual Modern Slavery Statement detailing their actions to address modern slavery.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
We suggest amending the wording in 10.3(a)(v) so that the circumstances in which an entity can restrict the freedom of movement of workers align with international standards.	"Restrict the freedom of movement of Workers in the workplace or in on-site housing unless legal, necessary and proportionate."	"Restrict the freedom of movement of Workers in the workplace or in on-site housing unless legal, necessary and proportionate."	10.3.v Restrict the freedom of movement of Workers in the workplace or in on-site housing unless legal, reasonable, necessary, timebound and proportionate.
<b>10.3b:</b> We still don't see how it'd incentivise any change and it will create additional bureaucracy. It should be part of the HR due diligence. A solution could be to have a criteria on the reporting (summary) of the HR due diligence with a statement on forced labor. Also we wonder if this is the first step of a series of statements like a statement on child labor, on discrimination on living wages etc... at the end the a good Human rights policy should cover these anyway.	Include a statement within the Human Rights Policy	CLD: discussed by SC and approved to include in 10.3.  Suggest no change Please watch upcoming webinar on modern slavery statement by ASI and IHRB + online training in Q4 to better understand relevance for all companies	HRWG: we've had this discussion. SC approved.



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- **The Standards Committee agreed with the recommendations and the Secretariat will make the appropriate change(s).**

# Violence & Harassment

## 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.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>In addition to physical violence and harassment, the Standard and the Guidance needs to expand the OHS scope to cover psychosocial risks and mental well being.</p>		<p>CLD: It is not specifically referenced in this criterion because HRWG recommendation was to include the assessment of psychosocial risks more broadly to P11 instead. Workplace psychosocial risk factors are addressed in 11.1 (with list of examples included in Guidance). HRWG already had the discussion so no need to reiterate.</p> <p>Suggested options:</p> <ul style="list-style-type: none"> <li>- Add in Criterion wording "physical and psychological" or similar to make it clearer</li> <li>- Add a few more psychological violence examples in the Guidance e.g. bullying, verbal abuse</li> <li>- Reference Eurofound (2013), <a href="https://kennisopenbaarbestuur.nl/media/234171/physical-and-psychological-violence-at-the-workplace-2013.pdf">Physical and psychological violence at the workplace, Publications Office of the European Union, Luxembourg in the Guidance https://kennisopenbaarbestuur.nl/media/234171/physical-and-psychological-violence-at-the-workplace-2013.pdf</a></li> <li>- No change</li> </ul>	<p>Expand violence examples in the Guidance to include non-physical risks e.g. bullying, verbal abuse.</p> <p>Add a few more psychological violence examples in the Guidance as per left</p>
<p>Could you please consider withdrawing of criterion 10.6b. The reason is to have more flexibility for an Entity in managing violence and harassment by applying alternative methods and/or tools.</p>		<p>CLD: This subcriterion was added following submitted comment during consultation 1 to align with ILO Convention 190. HRWG already had the discussion and recommended to SC to add this subcriterion. Was approved by SC.</p> <p>For information, similar criterion as what Responsible Steel requires.</p> <p>Proposition suggested: do not have the conversation a 2nd time within HRWG and keep same recommendation to SC.</p>	<p>Maintain HRWG June recommendation to SC: keep text 10.6b and align with ILO 190</p>

# Violence & Harassment

## 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.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
<p>Given this section focuses on violence and harassment, we suggest changing the title of the section from "Disciplinary practices" to "Violence and harassment".</p> <p>The guidance should also be updated in light of the changes to the Standard.</p>		<p>CLD: suggest to amend - HRWG discuss. Guidance changes</p>	
<p>As a former full-time and still part-time HSE professional I think this criterion over-burdens the HSE/OHS function in plants. HSE staff are not the internal police and disciplinary practises have nothing to do with a Risk Assessment.</p>	<p>Take out the reference to "Occupational Health and Safety".</p>	<p>CLD: amendment suggested above could address that comment</p>	<p>Change the criterion name to "Violence and harassment" and accordingly update the Guidance.</p>

- 
- **The Standards Committee agreed with the recommendations and the Secretariat will make the appropriate change(s).**

# Working time and remuneration

## 10.7 Remuneration The Entity shall:

- a. Ensure Workers have a written description of terms and conditions of employment in a language and format they understand.
- b. 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.
- c. 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.
- d. Make wage payments that are timely, in legal currency and fully documented.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
25% extra shall be payed for time spent for works which exceeds 40 hours (not just for work). Could you specify that? Is it for overtime work? Could you consider a revision?	The Entity shall pay a premium of at least 25% for overtime work that exceed 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. Alternatively, overtime work can be compensated with additional time off, which shall be at least equal to time spent for overtime work.	<p>CLD: SC discussion and decision was to use only "40 hours" wording and not overtime even though some countries have higher maximum number of working hours because</p> <ol style="list-style-type: none"> <li>1. the ILO encourages multi-national enterprises to progressively reduce from 48 hours to 40 hours in the week, without reduction of wages</li> <li>2. the point of having a Standard is precisely to go beyond national legislations.</li> </ol> <p>Suggested options:</p> <ul style="list-style-type: none"> <li>- No change to criterion</li> <li>- Include in guidance that alternatively overtime work can be compensated with additional time off, which shall be at least equal to time spent for overtime work?</li> <li>- Specify in guidance the ILO recommendations to move to 40H, to provide more context around this figure</li> </ul>	<p>Include in the Guidance the background behind 40 hours choice</p> <p>HRWG reaffirmed commitment to ILO and leading practice – have had extensive discussions, didn't want to repeat.</p> <p>Additional Guidance in the form of ETI Base Code suggested by participant <a href="https://www.ethicaltrade.org/eti-base-code/">https://www.ethicaltrade.org/eti-base-code/</a></p> <p>specify in Guidance that compensation can be in the form of remuneration or other (e.g. time off)</p>

# Working time and remuneration

## 10.7 Remuneration The Entity shall:

- a. Ensure Workers have a written description of terms and conditions of employment in a language and format they understand.
- b. 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.
- c. 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.
- d. Make wage payments that are timely, in legal currency and fully documented.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
There is no clear definition as to what constitutes a "salaried worker".		Clarify in Guidance  CLD: this is to differentiate with hourly workers	HRWG recommendation for guidance (not glossary):  "A salaried Worker is someone who regularly receives a fixed amount of pay (salary) regardless of how many hours they work each week or month."
In the instance that all the workforce work shifts or receive a set contracted salary, is it a fair assumption that the requirement for a 25% increase for overtime is not required?		CLD: SC discussion and decision was to use only "40 hours" wording and not overtime even though some countries have higher maximum number of working hours because 1. the ILO encourages multi-national enterprises to progressively reduce from 48 hours to 40 hours in the week, without reduction of wages 2. the point of having a Standard is precisely to go beyond national legislations. 17 Nov 2020 <a href="https://aluminium-stewardship.org/wp-content/uploads/2020/12/ASI-SC-Teleconference-Minutes-17-Nov-2020.pdf">https://aluminium-stewardship.org/wp-content/uploads/2020/12/ASI-SC-Teleconference-Minutes-17-Nov-2020.pdf</a>	
Actually, this criterion goes WELL BEYOND ASI's mandate! ASI should completely refrain from any ambition to quantify / specify workers pay and compensation beyond insisting on legal, tariff and ILO frameworks!			
DELETE!	DELETE 10.7 c	Suggest no change	Include in the Guidance the background behind 40 hours choice



- 
- **The SC agreed with the recommendation to change the criterion and the Guidance from remuneration to compensation.** (i.e. Compensate workers by at least the equivalent of 25% for work that exceeds etc....)

# Working time and remuneration

## 10.8 Working Time The Entity shall:

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

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
There is no indication in terms of how the average 8 hours a day over 3 months should be calculated (including work days, off days, sick days, rotation, weekends, holidays etc. etc.)		CLD: This was already a comment in consultation 1, that was discussed by SC. It was agreed to make no change.	No change to the criterion
Please include a standard calculation as part of the criteria to ensure consistency across all organisations.		If there is a will to revisit: - Industry staff from HRWG / SC to ask their HR / legal teams on how this is calculated prior to SC meeting?	No calculation methodology (for Guidance) forthcoming – no time to address in this round
Could you please specify exception for “fly-in, fly-out” kind of scenario, where duration of rotation workers shifts can be 2 or up to 3 months (if it is approved by the unions). In these cases it will be impossible to meet the criterions requirements.		CLD: was already raised in Consultation 1.  Suggested option: Extending the ‘average period’ by an additional month should provide enough leeway for all situations.	Extending the ‘average period’ to six months – commentator present and agreed  Guidance: 6 month only applies to rotation workers
Again, these two sub-criteria go well beyond ASI’s mandate. Working time requirements should ONLY be referring to legal, tariff or ILO based criteria!		CLD: this was extensively discussed and approved by SC 17 nov 20 (see minutes online)	No change
DELETE!	DELETE 10.8 b and 10.8 c!	Suggest no change	



# OHS

## 11.1 Occupational Health and Safety (OH&S) Management System

The Entity shall implement a documented OH&S Management System applicable to all Workers that meets the requirements of ISO 45001, including:

- a. Organizational context.
- b. Leadership & worker participation.
- c. Planning.
- d. Support.
- e. Operation.
- f. Performance evaluation.
- g. Improvement.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	HRWG Recommendation to SC
The OH&S MS needs to apply to all relevant stakeholders such as visitors, not just workers.	11.1 The Entity shall implement and provide evidence of an OH&S Management System for its facilities and activities that is applicable to all Workers <b>and visitors</b> that meets the requirements of ISO 45001, including: a. Organizational context b. Leadership & worker participation c. Planning d. Support e. Operation f. Performance evaluation g. Improvement.	CLD: - Accept this wording or similar (ISO 45001 wording is "and other interested parties") - No change to criterion and mention this in Guidance	Check if 45001 non-reference impacts LME alignment (Secretariat to do)
Could you please revise the wording excluding ISO 45001, considering the fact we have no any links to international standards in criterions 2.3 (Environmental management system, Social management system)?	The Entity shall implement a documented OH&S Management System applicable to all Workers that <del>meets</del> includes as a minimum the following elements <del>requirement of ISO 45001, including:</del> a. Organizational context b. Leadership & worker participation c. Planning d. Support e. Operation f. Performance evaluation g. Improvement.	LB: propose to amend criterion to 'that meets the following requirements of ISO 45001':	Otherwise ok with removing explicit ref to 45001 in criterion, but keep in Guidance

- 
- A participant asked whether having 45001 would tick off compliance with that criterion.
  - Secretariat: depends on the final wording of the criterion, this will be published in the Assurance Manual table 3. Standards Benchmarking and Harmonization is set to meet in the second half of April to discuss standard equivalencies. To join the Working Group you can email [marieke@aluminium-stewardship.org](mailto:marieke@aluminium-stewardship.org), and/or [laura@aluminium-stewardship.org](mailto:laura@aluminium-stewardship.org).

# Principle 5 – Independent Verification of energy data

## 5.1 Disclosure of GHG Emissions and Energy Use.

### The Entity shall:

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

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	Secretariat Recommendation to SC
The guidance should clarify that energy and GHG emissions data which were externally reviewed in the course of - ISO 50001 audits and certifications - audits in the context of the EU ETS or other national Emissions Trading schemes would be recognised as "externally verified" by ASI.		just double check with SC that that istheir understanding	Is this SC understanding?
Publicly disclosed energy use data (as per 5.1a) must also be independently verified	5.1b Ensure that all publicly disclosed energy use and GHG emissions data are independently verified, prior to publication.		SC to decide: no change or proposed wording change

## Principle 5 – Independent Verification of energy data

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1. Is it your understanding that energy and GHG emissions data externally reviewed in the course of ISO 50001 audits and certifications or audits in the context of the EU ETS or other national emissions trading schemes would be recognised as "externally verified" by ASI. (YES/NO)
  - ACTION in the case of YES – clarification in Guidance
2. Should publicly disclosed energy use data also be subject to independent verification prior to publication? (YES/NO)
  - ACTION in the case of YES – “5.1b Ensure that all publicly disclosed GHG emissions [and energy use] data are independently verified, prior to publication.”

- 
- A participant noted that they are reporting every year in the EU ETS system, they always need to be verified, implicit in the process, so should be sufficient.
  - A participant noted that not everything is always externally verified. In the Guidance it should be clear that all these systems that require external verification should be able to be used.
  - Participant agreed, but its also quite easy to document that data
  - A participant agreed that indeed there is a clear audit on the data for ETS, but not as clear for 50001.
  - Secretariat: get that into the Guidance. The focus should be on external verification EVIDENCE.
  - A participant noted the difference between reviewed, and independently verified. With 50001, emissions as reported are reviewed, but with ETS, they review the independently verified data.
  - Another participant agreed: auditors usually follow ISA 3000 – non financial data, in the US, ultimately need to align SEC disclosure with financials – quantification for emissions reduction costs (which provides auditability). Independent verification has limited assurance. (50001 not verified to extent that is required)
  - A participant stated that in the EU, you need to have independent verification, but limited assurance means 20% of your emissions are checked, and that might switch to reasonable assurance (which is 60%), thus you've got different degrees of assurance. Thus there's the need to be mindful of the varying levels of strength in verification.
  - A participant stated that you need to have the systems in place to compile this data, to minimize errors.
  - The Secretariat clarified that alignment with those audits don't give you a 'free pass'. Will need to look at that with auditors. Perhaps to include a criterion 5.1b (post-revision), 'have systems in place for the compilation and quantification of data.'

- 
- A participant stated that this can be the focus of the verification. Current verification is about the systems in place. Currently the definition of 'independently verified' is a bit broad.
  - Too late for this round of revision. To explore post-revision.
  - And energy data? Inclusion?
  - A participant noted that you can't have GHG disclosure without energy.
  - **SC agreed to include independent verification of energy data in criterion.**

# Principle 5 – Guidance throughout to preference use of Energy Attribute Certificates redemption for Scope 2

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	Secretariat Recommendation to SC
<p>The last bullet point on page 59 and the text into page 60 mentions that Entities should take care to ensure consistency with other disclosure mechanisms such as CDP. As such, several bullet points under 'Scope - Greenhouse Gases' are advised to be changed to also ensure consistency with CDP, RE100, Science-based Targets. This is regarding the use of Energy Attribute Certificate (EAC) schemes such as RECs in the US, Guarantees of Origin (GO) in Europe and International RECs (I-RECs) in about 45 countries including China, India, Australia, UAE, Brazil, and Chile.</p>	<p>"When determining scope 2 GHG Emissions from electricity use, preference should be given to using internationally recognized Energy Attribute Certificate (EAC) schemes if available to ensure consistency with international best practices as defined by GHG Protocol Scope 2 reporting, CDP, and RE100. For every MWh reported under Scope 2 emissions, the equivalent number of EACs (e.g., GO, REC, I-REC) must be redeemed/canceled to prove sole ownership of these electricity attributes in regions where a legally defined or voluntary attribute tracking system is in place. Only in case no EAC scheme is in place in the country of consumption, the entity may use 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. (Optional: this requirement ensures there is no double counting of energy attributes and that attributes have been removed passively (residual mix) or actively (from use in the market) and no double counting of the attributes can occur in the broader electricity market).</p>		<p>SC to decide: no change or proposed wording change</p>
<p>The use of average emissions on a local, regional, or even national scale leads to unfair competition for specific aluminium producers that are located in countries with high carbon content electricity grids. By mandating the reporting of the grid average, the label is indirectly saying that aluminium producers must be located in countries with relatively renewable grids such as Costa Rica, Norway, or Iceland. It removes the option to perform 'better than average' in your region and it takes away individual efforts being done in countries where still a high average carbon content per kwh is</p>	<p>Remove "further disclosure of electricity power mix may also be included where relevant" and replace by "disclosure of electricity usage, seen as scope 2, should be done with acknowledgement of the locally implemented electricity attribute tracking systems or electricity attribute certificate markets (EACs) if available."</p>		<p>SC to decide: no change or proposed wording change</p>

## Principle 5 – use of Energy Attribute Certificates for Scope 2

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1. Should preference be given to using internationally recognized Energy Attribute Certificate (EAC) schemes when determining scope 2 GHG Emissions from electricity use. (YES/NO)
2. Are you comfortable with the proposed wording changes? (YES/NO) – feel free to suggest amendments.
3. Do you see a conflict with GRI 305-2? (YES/NO)  
<https://www.globalreporting.org/standards/media/1012/gri-305-emissions-2016.pdf>
  - ACTION in the case of YES/YES/NO – Guidance updated with proposed wording.





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- A participant noted that this is one of the most challenging discussions on how to document 'greenness', there are 2 methods endorsed by GHG protocol. The participant is against the market-based approach because it doesn't reflect physical realities and the use of these certificates is a 'cheap' way to greenwash your electricity. International standards (GRI, GHG protocol), accepts that there are 2 different approaches, and the participant is against giving preference for market based approach.. Should leave the 2 options open. Participant also noted that there's no need to elaborate in the Guidance, international standards are already clear on this and can be referred to.
  - 5 participants agreed.
  - **The Standards Committee agreed to no change to criterion or guidance.**

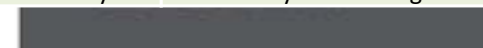
# Principle 5 – Scope 3 verification (I)

## 5.1 Disclosure of GHG Emissions and Energy Use.

### The Entity shall:

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

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	Secretariat Recommendation to SC
The criterion could be amended to require that for all disclosed GHG emissions the entity must state if and to which extent these have been externally verified. If not verified, this must be stated as well! It should thus also be possible to verify scopes 1&2 only and to leave scope 3 un-verified. The verification status of each GHG emissions number should be identifiable.		decision made by sc on independent verification but let's have a go at scope 3 (CMB proposal: s1, 2 and 3 cats 1,3 and 4...all other scope 3 voluntary	for SC discussion. "uncertainty" disclosure for scope 3s not necessarily a bad thing
The independent verification requires significant efforts for smaller and non-listed companies.	The obligation for independent verification should exclude scope 3, which can remain as "voluntary" in the validation scope.	decision made by sc on independent verification but let's have a go at scope 3 (CMB proposal: s1, 2 and 3 cats 1,3 and 4...all other scope 3 voluntary	for SC discussion. "uncertainty" disclosure for scope 3s not necessarily a bad thing
If we had the right, we would object against the requirement for independent verification of published GHG data! For non-public companies and not-so-large ones this creates a significant amount of effort and cost, that no customer is willing to pay for right now! Especially scope 3 is too much complexity and also ambiguity still!	Independent verification MUST be limited to scopes 1 & 2! Scope 3 MUST be excluded from this, but can remain as "voluntary" in the validation scope.	decision made by sc on independent verification but let's have a go at scope 3 (CMB proposal: s1, 2 and 3 cats 1,3 and 4...all other scope 3 voluntary	for SC discussion. "uncertainty" disclosure for scope 3s not necessarily a bad thing
Also note the time constraints associated with reporting, prior verification and only subsequent (initial or surveillance) auditing! This requirement may well overthrow the auditing schedules of many companies..			
The criterion could be amended to require that for all disclosed GHG emissions the entity must state if and to which extent these have been externally verified. If not verified, this must be stated as well! It should thus also be possible to verify scopes 1&2 only and to leave scope 3 un-verified. The verification status of each GHG emissions number should be identifiable.		decision made by sc on independent verification but let's have a go at scope 3 (CMB proposal: s1, 2 and 3 cats 1,3 and 4...all other scope 3 voluntary	for SC discussion. "uncertainty" disclosure for scope 3s not necessarily a bad thing



## Principle 5 – Scope 3 verification (I)

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1. Following our discussion today, would direct reference to GRI 305 (1-4) satisfy, which is clear on inclusion, scope, explanations for why data (such as scope 3) not included and transparency of method? (YES/NO)

<https://www.globalreporting.org/standards/media/1012/gri-305-emissions-2016.pdf>

- ACTION in the case of YES
  - “5.1a Account for and publicly disclose, where material, energy use **by source** and GHG emissions **using GRI Standards** ~~by source~~ on an annual basis”
  - Guidance to reference specific GRI Standards 305 (1-4)



- 
- The Standards Committee agreed *not* to include GRI in the Criterion.

# Principle 5 – Scope 3 verification (II)

## 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 GHG emissions.
  - ii. Is developed using a Science-Based Approach endorsed by ASI, if available.

Comment	Commentator Suggested Wording	Initial Secretariat Response	Secretariat Recommendation to SC
5.3. b (i) Replace "direct and indirect emissions" by "scope 1 & 2 emissions".  Scope 3 is simply too complex, lacks consensus on methodology and - eventually - is covered by somebody else's scopes 1 & 2. This is not a sufficient basis for a mandatory requirement for certification!  Scope 3 can stay in as a "recommendation", but should NOT be included in the mandatory normative requirement. (ii) You need to make a clear reference in the criterion itself (not in the guidance below) where exactly ASI will publish the "approaches endorsed by ASI".		decision made by sc on independent verification but let's have a go at scope 3 (CMB proposal: s1, 2 and 3 cats 1,3 and 4...all other scope 3 voluntary	for SC discussion. "uncertainty" disclosure for scope 3s not necessarily a bad thing
Please clarify (and in the Guidance) whether all indirect emissions covers all scope 3 emissions.		Klaudia: We could specify in the Glossary, under term 'Indirect GHG Emissions'  Chris: depending on SC decision i propose s1,2 and 3 cats 1,3 and 4	"indirect emissions (scope 2 and scope 3, categories 1, 3 and 4)"
There is more guidance needed to define the "correct" reporting boundaries, to have same understanding of what's reported.		Chris: scope 1, scope 2, scope 3 cats 1,3 and 4	Chris: scope 1, scope 2, scope 3 cats 1,3 and 4

## Principle 5 – Scope 3 verification (II)

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1. Please identify for 5.3.b.i the preferred course of action:
  - a. No change to wording – “Addresses all Direct and Indirect GHG emissions”
  - b. Change - “Addresses all Direct and material Indirect GHG emissions”
  - c. Change – “Addresses Scope 1, Scope 2 and Scope 3 emissions”
  - d. Change – “Addresses Scope 1, Scope 2 and material Scope 3 emissions”
  - e. Change - “Addresses Mine to Metal emissions” (note that this may have to be reworded for Entities upstream of smelting – “cradle to gate” or “scope 1, 2 and 3 (cats. 1, 3 and 4)”)
  - f. Delete the sub-clause 5.3.b.i as scope is implied by the “Science Based Approach”

- 
- A participant stated that in principle it's good to put some pressure on Scope 3, though on the other side, there is a lack of maturity around Scope 3, tightening this too much will be challenging for many companies now. Well phrased now and gives flexibility. Include that in the Guidance post-revision.
  - 4 participants agreed with the commentator.
  - **The Standards Committee agreed to no change.**

# Principle 5 – Beyond Value Chain Mitigation Language

## 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 GHG emissions.
  - ii. Is developed using a Science-Based Approach endorsed by ASI, if available.

Comment	Commentator Suggested Wording Changes	Initial Secretariat Response	Secretariat Recommendation to SC
Replace compensation language with Beyond Value Chain Mitigation as per evolving SBTi Net Zero Standards work		Amend	Recommend make change - what is the discussion? Language is evolving from compensation to contribution.





## Principle 5 – Beyond Value Chain Mitigation Language

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1. Should Beyond Value Chain Mitigation as per evolving SBTi Net Zero Standards work be referenced (in opposition to and evolution of compensation/offsetting)? (YES/NO)

<https://sciencebasedtargets.org/resources/files/Beyond-Value-Chain-Mitigation-FAQ.pdf>

- 
- A participant expressed skepticism on the legitimacy of this new approach.
  - **SC agreed to strike references to offsets, as opposed to changing the language.**

# 3 Next Steps

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- Secretariat Action :
  - Continued and ongoing editing of text
  - Regular sharing of latest drafts with Standards Committee (prior to meetings)
- SC Priority
  - Amendments based on today's decision

# 4 Agreed Upon Actions & Close

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

Thank you

**asi** Aluminium  
Stewardship  
Initiative