

ASI Standards Committee

Teleconference

23 March 2022

Antitrust Compliance Policy

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

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

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



Acknowledgement of Indigenous People

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



ASI Ways of Working



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

Agenda

| | Topic | | Time | Lead |
|---|---|---|------|-------------|
| 1 | a. Welcome b. Introduction & Apologies c. Objectives d. Documents Circulated | e. Previous Minutes f. Conflicts of Interest/Duty g. Log of Actions | 5 | Chair |
| 2 | Priority issues - BESWG Recommendations - Thresholds (GHG & WHS No Go) – implications for certification - Materiality definition(s) - New Projects & Major Changes - Historical Operations | | 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

Chair: Kendyl Salcito (Nomogaia), Rosa Garcia Piñeiro (Alcoa)

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

Annemarie Goedmakers (Chimbo Foundation), Andy Doran (Novelis) Anthony Tufour (Arconic), Catherine Athènes (Constellium), Gesa Jauck (TRIMET), Hugo Rainey (WCS), Jostein Søreide (Hydro), Jose Rubio (FFI), Marcel Pfitzer (Daimler), Nadine Schaufelberger (Ronal AG), Stefan Rohrmus (Schüco), Steinunn Dögg Steinsen (Norðurál), Tina Björnestål (Tetra Pak)

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

Cameron Jones, Chinelo Etiaba, Chris Bayliss, Ghaidaa Kotb, Klaudia Michalska, Laura Brunello, Marieke van der Mijn, Mark Annandale, Natalie Sharp, Penda Diallo, Roshan Bhuyan, Thad Mermer

Apologies: Alexander Leutwiler (Nestlé Nespresso S.A.), Justus Kammüller (WWF), Louis Biswane, Warrick Jordan (Hunter Jobs Alliance)

Proxies: Chair for Hugo Rainey (WCS)

1c Objectives

1. Adopt minutes of the previous meeting
2. Decisions on third set of priority areas for Standards revision

Minutes approved

1d Documents Circulated

1. ASI SC Teleconference 23Mar22
2. v1 DRAFT ASI SC Teleconference Minutes 16Mar22
3. Disclosure of Conflicts of Interest/Duty
4. ASI - SCMemberApptProxyForm 16Mar22
5. ASI –SCMemberAlternateForm 16Mar22
6. NOT FOR PUBLIC 2nd Public Consultation log 18-03-2021
- 7a. 18-03-2022 Latest DRAFT ASI Chain of Custody Standard Guidance V2.0
- 7b. 18-03-2022 Latest DRAFT ASI Performance Standard Guidance V3.0

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

e) Approval of Previous meeting minutes draft: 16 March 2022 will be published on the ASI website.

f) 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 |

2 – Priority issues – Log of comments

- We will work from the log of comments today:
 - ‘NOT FOR PUBLIC 2nd Public Consultation log 18-03-2021.xlsx’
 - Filter column ‘SC meeting number’ by 3 (23 Mar)”.
- Log comments on the slide.
- Consideration and discussion of Column ‘Secretariat Recommendation to SC, based on BESWG input.

2 Impact Assessment (8.1) - applicability

| Comment | Commentator Suggested Wording Changes | Initial Secretariat Response | BESWG Recommendation |
|---|--|---|--------------------------------------|
| <p>We question the added value of a Biodiversity and Ecosystem Service Impact Assessment for all facilities. Comment made last time remains valid. Based on the intrinsic materiality of certain activities versus others, it should be clearer that bauxite mining should have a very strict assessment with more mandatory ways to do it and that in any case it cannot be considered as low risk. There should be also a further evaluation of the comprehensiveness of the tools categorizing high conservation value areas. It should not be allowed that because the work of identification has not been properly done some areas are not considered as sensitive. I wonder particularly how China will be assessed considering IBAT results on that part of the globe, but there may be other regions in this situation.</p> | <p>Completely rework this chapter.</p> | <p>once and for all SC - is application for all supply chain activities? if yes, we need to articulate clearly the reason why as this question keeps being raised</p> | <p>BESWG: Guidance post revision</p> |
| <p>The strictness of the requirements and the tools to be mandatorily used should reflect the intrinsic materiality of certain activities versus others. There should be also a further evaluation of the comprehensiveness of the tools categorizing high conservation value areas. It should not be allowed that because the work of identification has not been properly done, some areas are not considered as sensitive. This is particularly relevant in some regions of the world.</p> | <p>Be more specific on the bauxite mining bio-diversity criteria with mandatory tools so as to avoid any loopholes in this part of the value chain that considering the surfaces at stake has most probably more than 80% of the biodiversity impact.</p> | | <p>BESWG: Guidance post revision</p> |
| | <p>Be more specific on the bauxite mining bio-diversity criteria with mandatory tools so as to avoid any loopholes in this part of the value chain that considering the surfaces at stake have most probably more than 80% of the biodiversity impact.</p> | | <p>BESWG: Guidance post revision</p> |

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- The SC agreed with the recommendation from the BESWG.

2 Biodiversity Management (8.2)

8.2 Biodiversity Management

The Entity shall:

- a. Establish and implement and monitor a Biodiversity Action Plan with time-bound targets to address material risks and impacts to biodiversity and Ecosystem Services, identified through Criterion 8.1, and monitor its effectiveness.
- b. Ensure that the Biodiversity Action Plan is developed in Consultation and in cooperation with Affected Populations and Organisations and designed by a Qualified Specialist in accordance with the Biodiversity Mitigation Hierarchy with an ambition to achieve no net loss.
- c. Ensure that the Biodiversity Action Plan, associated targets and results of the monitoring programme are shared with Affected Populations and Organisations, publicly disclosed, and updated as required.



2 – Biodiversity Management (8.2)

| Criterion/Section / Figure/Table Number | Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|--|---|--|----------------------|
| 8.2a, b and c "Biodiversity Action Plan" | <p>Clauses 8.2a, 8.2b and 8.2c have lots of requirements which at times overlap - some are about the plan and some about the restorative outcomes that the Plan should deliver. At times the subject and the object is a little confusing. For examples the current wording of 8.2b may imply that the qualified specialist has an ambition to achieve no net loss :).</p> <p>As review of the plan is included in the suggested rewording of 8.2b (part iv), 8.2c can focus on public disclosure.</p> <p>Suggested rewording for 8.2a, b and c is provided with (a) setting the scene for when a plan is needed including a link to Priority Ecosystem Services (see also comment for 8.3 below), (b) focusing on the content of the plan.</p> | <p>The Entity shall:</p> <p>a. Establish, implement and maintain a Biodiversity Action Plan to address Priority Ecosystem Services, and all other material risks and adverse impacts to biodiversity and Ecosystem Services, identified through Criterion 8.1.</p> <p>b. Ensure that the Biodiversity Action Plan is designed by a Qualified Specialist, and developed in consultation and cooperation with Affected Populations and Organisations to include:</p> <p>(i) time bound mitigation measures and improvement actions that follow the Biodiversity Mitigation Hierarchy, that aim to achieve no net loss</p> <p>(ii) a monitoring program to confirm the implementation of the mitigation measures and actions</p> <p>(iii) clearly assigned responsibilities for implementation of the mitigation measures and actions</p> <p>(iv) a process to review its effectiveness, and the timely implementation of corrective actions to address situations where the plans intended outcomes are not achieved as expected.</p> <p>c. Ensure that the Biodiversity Action Plan, associated targets and results of the monitoring programme is shared with Affected Populations and Organisations and publicly disclosed.</p> | BESWG: Guidance |
| | Given a reference from Earthwatch, 2000. Is there not a better reference for this? E.g. IFC | Find a more suitable reference | BESWG advise |

2 – Biodiversity Management (8.2)

| Comment | Commentator Suggested Wording Changes | BESWG |
|---|--|------------------------|
| <p>'No Net Loss' can only reasonably be applied to new operations or major expansions - situations where a baseline can be established. For existing long-term operations, baseline data for comparison are less likely to be available or may be less comprehensive in comparison to current guidelines.</p> | <p>Suggested this is amended to clarify that no net loss only applies to new projects and major changes (using ASI definitions of these). This is consistent with ICMM and other initiatives such as IRMA (section 4.6.4.1).</p> | <p>BESWG: Guidance</p> |
| <p>The scope of 8.2 is not clear in the Guidance: To what biodiversity impacts is this applied? Any impacts, or is some level of materiality applied (e.g. impacts to natural and critical habitat qualifying features, sensu IFC PS6)? Does the No Net Loss ambition apply to historical impacts in existing operations as well, or just to new projects and major changes to existing projects? Is there a defined timeline for which NNL must be achieved or realised? E.g. must it be a present NNL outcome, NNL by closure, NNL before a project begins etc.</p> | | <p>BESWG: Guidance</p> |
| <p>As previous submission - 'No Net Loss' can only reasonably be applied to new operations or expansions - situations where a baseline can be established. For existing operations, baseline data for comparison is unlikely to be available.</p> | <p>Suggested this is amended to clarify that no net loss only applies to new projects and major changes (using ASI definitions of these). This is consistent with ICMM and other initiatives such as IRMA (section 4.6.4.1).</p> | <p>BESWG: Guidance</p> |
| <p>Ambition to achieve No Net Loss can only be logically applied to New Projects and Major Changes, as it requires a well defined baseline to measure against. Historical impacts cannot realistically be covered by this.</p> | <p>Ensure that the Biodiversity Action Plan is developed in Consultation and in cooperation with Affected Populations and Organisations, in accordance with the Biodiversity Mitigation Hierarchy and designed by a Qualified Specialist. For New Projects and Major Changes, the Biodiversity Action Plan shall be developed with an ambition to achieve no net loss.</p> | <p>BESWG: Guidance</p> |
| <p>Criterion 8.2 introduces the concept of No Net Loss, a major addition to this revision.</p> <p>This requirement is too ambiguous in the standard and is not clarified in the guidance. The concept of NNL and offsets have very clear principles and is a quantifiable measure. It is not clear from the current guidance how this will be audited and what, specifically, a site needs to document to conform</p> | <p>Our suggestion is that the action plan must clearly indicate what is the estimated loss to the specific biodiversity feature impacted, as a result of the project, and demonstrate that mitigating actions in place are sufficient to credibly achieve a NNL outcome by a defined end-point (e.g. closure). (i.e. what are the avoidance, minimization and restoration measures taken and, where significant residual impacts are still expected, what is the quantifiable offset approach taken to address this.</p> <p>It is for this reason that the NNL ambition can only be practically applied to occasions where a starting baseline is well-defined, and can, therefore, only be a minimum requirement for new projects or major changes (same as ICMM). Existing operations may not always be able to establish a historical baseline for biodiversity so will be unable to comply with this requirement as currently written.</p> | <p>BESWG: Guidance</p> |
| <p>The clause includes commentary that the biodiversity action plans should be developed in accordance with the Biodiversity Mitigation Hierarchy with an ambition to achieve "no net loss".</p> <p>We have been attempting to operationalise no net loss to biodiversity and we continue to engage with the Task Force on Nature-related Financial Disclosures and the UNEP-WCMC Align Biodiversity Measures for Business collaboration to inform development of no net loss measurement and disclosure approaches.</p> <p>As there are currently no identified way for this to be properly measured, having an ambition is ok however the guidance (page 105) further goes on to state that we must establish time-bound targets to result in no net loss. This section of the guidance needs to be updated to align with the UNEP-WCMC Align Biodiversity Measures for Business collaborative forum and Task Force on Nature-related Financial Disclosures. As the earlier guidance references the use of the Mitigation Hierarchy in developing the BAPs, suggest that the time bound targets be simplified to state deliver biodiversity benefits.</p> | <p>Documented Biodiversity Action Plans to mitigate material biodiversity impacts and establish time-bound targets to deliver biodiversity benefits.</p> | <p>BESWG: Guidance</p> |

2 Biodiversity management (8.2)

BESWG:

- No change to pre-consultation criterion text
- Mitigation hierarchy explored in Guidance - tool designed to help users limit, as far as possible, the negative impacts of development projects on biodiversity and ecosystem services (BES).

Among the WG, there were some voices that would like to see the NNL “ambition” (felt to be ‘weak’) changed to NNL achievement or objective. Others felt unprepared to have that discussion at the WG given that the Secretariat had not raised this in the preparatory materials.

Change to criterion language related to “Ambition” will require more discussion and preparation – the BESWG was not able to make a recommendation to Standards Committee today with so little preparation and without wider consultation.

Question for SC - Application: to new projects and major changes in Guidance or Criterion? Need for a baseline.



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- A participant stated that, in relation to the timeline aspect, there's a lot of existing thinking available to the SC on how to select the type of infrastructure/project, which could be helpful. On NNL, COP15 (of the CBD) have a 'global biodiversity framework', and some of the thinking is how can countries define appropriate policies for industry, which supports contribution towards these targets, useful to look at. 'Ambition' is lacking in direction and motivation.
 - Another participant worried that what's in the text ('ambition') has no real target and will be difficult to audit.
 - IPAF in chat: with IPAF discussion on this topic the focus was on upstream and associated facilities, The Application: to new projects and major changes is best Criterion, it would likely need some additional Guidance.

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- A participant stated that we should add a reference to the outcomes of Kunming (COP 15 of the Convention on Biodiversity) Text is too weak, needs amendment.
 - A participant felt the need to ask the WG to work more on it, or keep the wording as is. On New projects and major changes: relates to the fact that existing activities to establish a baseline against which to measure NNL is close to impossible. For New projects and major changes is the only way to make it auditable. Otherwise, will make it too up to interpretation from Auditors.
 - Another participant agreed, it isn't clear what it would mean to have NNL, and what that would encompass. Ambition to improve is already a big step for many small companies that haven't touched on that topic. To strengthen that, need to have more clarity in Guidance what it means (and efforts vs outcomes for companies in areas where this isn't a concern, thus also explore materiality)
 - Secretariat: proposal to have Kunming outcomes articulated in Guidance, and take the word 'ambition' in the Criterion and build guidance around what this means with a step-wise approach.
 - **SC agreed to no change but expand Guidance.**

2 Priority Ecosystem Services (8.3)

8.3 Management of Priority Ecosystem Services

The Entity shall:

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

| Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|---|---|--|
| <p>If an operation uses PES based on Best Available Technology (for example as defined in EU BREF BAT Conclusions) this requirement (8.3a) is not adequate.</p> <p>GUIDANCE: In the second bullet "(e.g. water)" should be replaced by "(e.g. water, unless supplied by municipal water supplier")</p> <p>This is to clarify that water taken in from municipal supplies will not be drawing directly on PES. The PES assessment must be conducted by the municipal water supplier.</p> | <p>The criterion should be changed or its applicability limited to "Not applicable to entities operating equipment with best available technology."</p> | <p>Secretariat – more than just Tech and we removed "Best Available" language – suggest no change</p> <p>BESWG agree</p> |
| <p>"(e.g. water, unless supplied by municipal water supplier")</p> | <p>"(e.g. water, unless supplied by municipal water supplier")</p> | <p>Secretariat feels is part of area of influence and thus "no change"</p> <p>BESWG agree</p> |

2 Priority Ecosystem Services (8.3)

| Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|--|--|--------------------------------------|
| <p>It is good that ecosystem services is given its own section as 8.3. However, the resultant measures to increase resource efficiency or operations (in 8.3a) and impact reduction measures or strategies associated with 8.3 b and 8.3c need to be documented and managed as per the should be linked with the documented Biodiversity Action Plan in 8.2. See the suggested wording including a new 8.3d requirement to document the measures from 8.3a to c into the Biodiversity Action Plan and its controls as noted in 8.2a-c.</p> | <p>8.3 Management of Priority Ecosystem Services. The Entity shall:</p> <p>a. Where an Entity depends on Priority Ecosystem Services establish and implement measures that increase resource efficiency of operations.</p> <p>b. Where Priority Ecosystem Services of relevance to Affected Populations and Organisations are identified through Criterion 8.1b, and the source of impacts are under the Entity’s direct management Control, establish and implement measures that use the Biodiversity Mitigation Hierarchy to maintain the access to, and value and functionality of, such Ecosystem Services.</p> <p>c. Where Priority Ecosystem Services of relevance to Affected Populations and Organisations are identified through Criterion 8.1b, and the source of impacts are not under the Entity’s direct management Control, work with other parties or within their scope of influence to establish and implement measures that mitigate impacts to Priority Ecosystem Services.</p> <p>d. Document and managed the measures identified in 8.3a-c in the Biodiversity Action Plan as per 8.2a-c..</p> | <p>BESWG: guidance not criterion</p> |

2 Priority Ecosystem Services (8.3)

Recommendations:

- No change to the criterion text.
- Include linkage to BAP (8.2) in guidance.

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- The Standards Committee agreed to the recommendation.

2 Protected Areas (8.6)

8.6 Protected Areas

The Entity shall:

- a. Have a process to identify Protected Areas.
- b. Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas.

Where engaged in Bauxite Mining:

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

Where the conditions of i and ii are also met.

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

This Criterion applies to existing and new operations.



| Criterion | Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|-----------|--|--|--|
| 8.6b | Needs to parts to ensure the Entity has management plans and controls in place to maintain the values for which the area was designated for protection. See suggested wording | 8.6 Protected Areas. The Entity shall: a. Have a process to identify Protected Areas. b. Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas. (new)c. Establish and maintain management plans developed in collaboration with the relevant protected area management authorities and Affected Populations and Organisations to ensure the Entity's activities and facilities do not adversely impact the integrity of the special values for which the area was designated for protection. | See following |
| 8.6d | The decision needs to be recorded but must also be publicly disclosed to Indigenous Peoples and Affected Populations and Organisations. This is consistent with IFC and IRMA RMS | 8.6d Ensure that decisions to proceed with exploration, development, operation and closure activities address the presence of, and potential impact on values of, Protected Areas; and/or declarations of Indigenous Peoples; and the outcomes publicly disclosed in a manner accessible and understood by Indigenous Peoples, Affected Populations and Organisations. | See following |
| 8.6 c.i | The new requirements for Protected Areas could be interpreted as effectively 'No Go' areas similar to WHAs depending on the assessors perspective. The wording and intent remain unclear, making it difficult to audit and legally confusing. The Council is concerned that while No Go is only explicitly applied to World Heritage Sites, the new requirements for Protected areas could be interpreted as a "soft no go" which would essentially rule out all IUCN Protected Area categories 1-6. The wording and intent remain unclear, making it difficult to audit and legally confusing. | Suggested revised text for 8.6 c.i "An independent third party assessment, conducted by an external Qualified Specialist(s), shared with Affected Populations and Organisations, publicly disclosed, and updated as required, addresses the presence of, and potential impacts on, the values of the Protected Area." Rationale: The wording is consistent with 8.6 d, and recognises through 8.6 b that any legal protections afforded will be complied with. Adopting the revisions make 8.6 d arguably redundant, and if removed, would assist in reducing complexity. | See following |
| 8.6.c.iii | If conditions of i and ii must also be met, then this sub-criterion is redundant and should be deleted to avoid the confusion it creates about the and/or nature of the requirements. | Delete 8.6.c.iii | See following |
| 8.6 a | For an entity, identifying protected areas is normally a one-off task, related to baesline studies, permitting procedures or new projects. The task therefore does not require a permanent and standing "process". Protected areas do not change on a frequent basis and so a one-time review/identification should do for any project/site/pemritting procedure. | It should be sufficient to say "The Entity shall: a) Identify Protected Areas" | See following |
| 8.6 | Are we sure that we have the same level of understanding & mapping of protected areas throughout the globe? | | Laura: we mention a common understanding which is the World Database on Protected Area (which encompasses both IUCN and CBD definitions) |

2 Protected Areas (8.6)

Discussion/Guidance Recommendations:

1. Is there a need for management plan if Protected Areas not identified or risk of adverse impacts low?
 - Revised language clarifies (see following) and reference to risk-based approach in Guidance will suffice.
 - Implementation of management plan should lower risk of adverse impact.
 - Cross reference 8.1 - 8.3 in Guidance
2. Guidance around exploration or mining in PA should include reference to supporting infrastructure.
3. Exceptions (iii (a and b)) to be referenced as (non-exhaustive) examples of when “exceptional conditions” might apply, but not referenced in criterion itself (see following).

Discussion/Criterion Recommendations (see following):

- Legal introduced sub-criterion (commitment to conduct mining in accordance with ASI Standards), while circular, should be included.
- Retain existing language “Where engaged in Bauxite Mining...” and “Where Indigenous Peoples exist...”
- New text on Management Plans can be combined with previous 8.6e.

2 Protected Areas (8.6)

BESWG Recommendation to SC

8.6 Protected Areas

The Entity shall:

- a. Identify Protected Areas **within its Area of Influence**.
- b. Comply with any regulations, covenants, and legal requirements attributed to these Protected Areas.
- c. **Implement management plans, developed in collaboration with the relevant Protected Area management authorities and Affected Populations and Organisations, to ensure the Entity's activities and facilities do not adversely impact the integrity of the special values for which areas identified in 8.6a were designated for protection and/or declarations of Indigenous traditional owners;**
- d. **Publicly disclose the management plans in a manner accessible and understood by Affected Populations and Organisations**

Where engaged in Bauxite Mining:

- e. Not explore or mine in the Protected Areas identified in 8.6a unless **all the following exceptional conditions are satisfied:**
 - i. An independent third-party assessment, conducted by an external Qualified Specialist(s), shared with Affected Populations and Organisations, publicly disclosed, and updated as required, **addresses the presence of, and potential impacts on, the values of the Protected Area.**
 - ii. **The Entity commits to conduct the Bauxite Mining in the Protected Area in accordance with ASI Standards, notably on environmental protection, as well as in accordance with any recommendations provided by the external Qualified Specialist(s).**
 - iii. Where Indigenous Peoples exist, they have given their Free, Prior and Informed Consent.

This Criterion applies to existing and new operations.



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- A participant stated that it's not clear what management plan should be if its already a legal requirement.
 - IPAF: what happens often, is that corporate or governments make that plan, management plan should be disclosed to APOs that they have this plan.
 - IPAF: prior to this SC meeting IPAF reviewed the proposed drafting of 8.6 and support changes and as Nicholas said disclosure of management plan etc and of course that 8.6 e iii FPIC remains
 - **The SC agreed to the insertion of management plan into sub-criterion c and d.**

2 Mine rehabilitation (8.7)

8.7 Mine Rehabilitation

The Entity, where engaged in Bauxite Mining, shall:

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

| Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|---|---|----------------------------------|
| With the addition of the new 8.7 b requirement, the final words of 8.7 c are redundant. | Suggested revised text for 8.7 c: "Progressively Rehabilitate environments disturbed or occupied by Bauxite Mining activities, as soon as practicable, using best available techniques." | BESWG: agree with wording change |



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- The SC agreed with the recommendation.

2 No Go (8.5)

8.5 Commitment to “No Go” in World Heritage Properties

The Entity shall:

- a. Not explore or develop New Projects or make Major Changes in World Heritage Properties.
- b. Take all possible steps to ensure that existing operations in World Heritage Properties, as well as existing and future operations adjacent to World Heritage Properties, are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.

| Comment | Commentator Suggested Wording Changes | BESWG Recommendation |
|--|--|--|
| <p>Expand the No Go to include sites on a government official list, whether tentative or nominated, for World Heritage Site Inscription. A Definition of World Heritage Site Inscription is also provided.</p> <p>Also, the current arrangement as noted in the Assurance Manual is that an Entity can still achieve provisional certification if it does explore or operate in a World Heritage Site. Certification should not be possible at all if this occurs. The suggested wording as been modified as per the comments raised about for 5.2. (See also comment below for the Assurance Manual Table 14)</p> | <p>Commitment to “No Go” in World Heritage Properties. The Entity engaged in Bauxite Mining shall:</p> <p>a. Not obtain ASI certification if it found to explore or develop New Projects or make Major Changes in World Heritage properties or sites on a government official list, whether tentative or nominated, for World Heritage Site Inscription.</p> <p>World Heritage Site Inscription: The list of sites that relevant State Parties are formally considering for nomination as a World Heritage Site in the next five to ten years.</p> | <p>BESWG – no introduction of inscription at this stage (no change)</p> <p>BESWG – no go red line for certification is not a question for the WG</p> |



2 No Go (8.5)

BESWG:

- No change to criterion text.
- BESWG participants considered currently ill-equipped to make a recommendation on Inscription in the criterion at this stage.
- World Heritage property definition in Guidance: currently “nomination”; potential to include “inscription” in Guidance at a later date, but not in this revision round, but rather post-revision.
- BESWG not the forum for discussion on ‘red lines’ for certification. This is part of the audit process – no recommendation to Standards Committee (see following)

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- Talk about difference between inscription and nomination. No change to criterion language.
 - IPAF: when talking about No-Go, what about local/spiritual places for local communities?
 - Secretariat: this is covered under cultural and sacred heritage, this is specific to World Heritage properties.
 - SC agreed to recommendation of no change to criterion language.

2 Commentator Proposal

Non-conformance with the following criterion should prevent issuance of PS certificate

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.
 - iii. Is publicly disclosed.
- c. Review the GHG Emissions Reduction Plan annually.
- d. Review the GHG Emissions Pathway on any changes to the Business which alters baselines or targets.
- e. Publicly disclose:
 - i. The latest version of the GHG Emissions Reduction Pathway
 - ii. The latest version of the GHG Emissions Reduction Plan.
 - iii. Progress against the GHG Emissions Reduction Plan on an annual basis

For SC decision

8.5 Commitment to "No Go" in World Heritage Properties
The Entity shall:

- a. Not explore or develop New Projects or make Major Changes in World Heritage Properties.
- b. Take all possible steps to ensure that existing operations in World Heritage Properties, as well as existing and future operations adjacent to World Heritage Properties, are not incompatible with the outstanding universal value for which these properties are listed and do not put the integrity of these properties at risk.



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- Secretariat: remit of the Assurance Manual? Need to find a processual solution
 - A participant asked whether it possible in the AM that a company can be mining in a world heritage place?
 - Secretariat: if yes, it would go to provisional certification, only got 12 months to withdraw, very unlikely they can do that, thus likely revocation of certification.
 - The participant responded that it would help if this was explicit that for certain criteria, there are red lines. Idea is to have explicit that it is 'black and white' in some areas.
 - Secretariat: how far do you go with the examples however? Risk of repeating the Standard. Thus, providing more elucidation in the critical breach table is fine, but careful not to go too far.
 - Secretariat suggested wording in chat: "Action or inaction bringing ASI into disrepute that resulted in: - non-conformance with performance thresholds of 5.3 or 8.5".
 - SC agreed for the Secretariat to make changes in the Assurance Manual to make those red lines more explicit.

2 Materiality Definition

| Comment Number | ASI Document Name | Type of Comment | Page number | Criterion/Section/Figure/Table Number | Comment | Commentator Suggested Wording Changes | ACTION | Initial Secretariat Response | SC Meeting Number | Issue Grouping |
|--|---|-----------------|-------------|---------------------------------------|---|--|-------------|--|-------------------|------------------------|
| Annemarie Goedmakers on behalf of Chimbo Foundation_13 | ASI Performance Standard (Version 3, draft 2) | Specific | | 2.9bi | "material impacts "is not defined. In the absence of a definition, the guidance needs to provide information regarding extent of this impact. | | SC Priority | Assessment/definition of materiality | 3 (23 Mar) | Materiality definition |
| Annemarie Goedmakers on behalf of Chimbo Foundation_14 | ASI Performance Standard (Version 3, draft 2) | Specific | | 2.9b ii | see previous comments regarding definition of "material impacts". Also, it is unclear if the mitigation plan to mitigate material impacts are those from the original historic aluminium operation (when the operation began) or current residual adverse impacts. Further the mitigation plan must adopt current best practice measures. | | SC Priority | ...and into post-revision. Critical discussion to be had on legacy vs outstanding issues | 3 (23 Mar) | Materiality definition |
| Annemarie Goedmakers on behalf of Chimbo Foundation_16 | ASI Performance Standard (Version 3, draft 2) | Specific | | 2.10 | See above regarding definition of "material impacts". | | SC Priority | Assessment/definition of materiality Chimbo Foundation_13 | 3 (23 Mar) | Materiality definition |
| Annemarie Goedmakers on behalf of Chimbo Foundation_17 | ASI Performance Standard (Version 3, draft 2) | Specific | | 3.1 | See above regarding definition of "material impacts". | | SC Priority | Assessment/definition of materiality Chimbo Foundation_13 | 3 (23 Mar) | Materiality definition |
| Annemarie Goedmakers on behalf of Chimbo Foundation_18 | ASI Performance Standard (Version 3, draft 2) | Specific | | 3.2 | See above regarding definition of "material impacts". | | SC Priority | Assessment/definition of materiality Chimbo Foundation_13 | 3 (23 Mar) | Materiality definition |
| Annemarie Goedmakers on behalf of Chimbo Foundation_22 | ASI Performance Standard (Version 3, draft 2) | Specific | | 5.1a | While the intent of including the word "material", there must be some basis to determine degree of materiality for this requirement to be credible. And a member would still need to account for its energy usage and GHG emissions in order to determine whether the emissions are material. Therefore it is recommended that unless a sound determination of materiality is defined (and included in the Guidance) that the word "material" is deleted. | a. Account for and publicly disclose, GHG emissions and energy use and GHG emissions by source on an annual basis. | SC Priority | Assessment of materiality - prior to verification and disclosure | 3 (23 Mar) | Materiality definition |
| Penny Laurance_28 | ASI Glossary (Version 1, draft 2) | General | | | Consider defining "materials impacts" for example seen in Performance Standard 2.5(d) and 2.6(c). | | SC Priority | | 3 (23 Mar) | Materiality definition |



2 Materiality

5.1 Guidance we do specify:

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



2 Materiality

- Quantification difficult for other Principles
- Propose overarching definition:
- Material Risk: a risk with the potential to affect, significantly and adversely, existing economic, environmental and/or social conditions within the Entity's Area of Influence, to such a degree that that it must be [managed/controlled] following certain minimum criteria.

Or specific (e.g.)

- Material Emissions to Air are those with the potential to affect, significantly and adversely, existing economic, environmental and/or social conditions within the Entity's Area of Influence, to such a degree that that they must be controlled following certain minimum criteria.

For SC decision



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- SC agreed with the need to have a definition of materiality.
 - A participant mentioned the concept of double-materiality: [GRI - Why double-materiality is crucial for reporting organizational impacts \(globalreporting.org\)](#)
 - Another participant stated that what's important is that the Site being audited can explain the materiality.
 - A participant noted the need to be understanding that western understandings of materiality are not universal. Need to be explicit on materiality for a global ASI.
 - Participant replied that indeed, but also need to it risk-based.
 - The SC agreed for the Secretariat to look at European Commission-defined materiality.

2 New projects & Major Changes

| Comment | Secretariat Recommendation to SC | SC Decision |
|---|--|-------------|
| <p>GLOSSARY</p> <p>Does a mine expansion qualify as a major change or not? Concessions can be held for the entirety of a mine's life (30+years). The differentiation between a significant expansion vs routine expansion needs to be more definitive.</p> | <p>I'd propose delete the new paragraph. the first is risk based, no need to articulate an exception for mining leases:</p> <p>A significant change to an existing Facility that has occurred since a Member has joined ASI. This would be a change that may have a material RISK to the environment or Human Rights that was not evaluated, or that changes the situation compared to, a previous Impact Assessment.</p> <p>This would include significant new infrastructure or expansions, or changes in land use however would not include the routine expansion, renewal or reapplication of a mining lease or arrangement with government authorities responsible for issuing mining leases.</p> | |
| <p>GLOSSARY</p> <p>same paragraph used to describe a major change is now being used to describe a new project, so creates confusion as to whether New Project and Major Change are the same thing</p> | <p>Agree with commenter - delete:</p> <p>A new Facility that has been constructed since a Member has joined ASI.</p> <p>This would include significant new infrastructure or expansions, or changes in land use however would not include the routine expansion, renewal or reapplication of a mining lease or arrangement with government authorities responsible for issuing mining leases.</p> | |
| <p>Both clause 9.4 (FPIC) & 9.6 (DISPLACEMENT) have application stating that "For New Projects and Major Changes initiated pre-2022: this Criterion applies only to those projects initiated after the Entity joined ASI"</p> <p>Whilst requirements of similar equivalency were in the previous standard, the statement that these clauses should apply to any project initiated after the entity joined ASI would mean for some members who joined prior to the original standards creations, there will be some projects that were initiated and went through certain phases of the project prior to the original standards even being in place. How could those companies be expected to know (and be assessed against) requirements for their project prior to these requirements even existing?</p> | <p>SC decision:</p> <p>No change (companies wouldn't know, but would be non-conformant despite their not knowing)</p> <p>Or</p> <p>Application</p> <ul style="list-style-type: none"> For New Projects and Major Changes initiated pre 2022: this Criterion applies only to those projects initiated after the Entity joined ASI. For New Projects and Major Changes initiated from 01 January 2022 onwards: this Criterion applies to all projects. <p>This Criterion applies to all New Projects and Major Changes initiated from 01 January 2022 onwards</p> | |

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- SC agreed with the proposed changes in language for New projects and Major Changes to switch from impact to risk.
 - SC agreed to no change on applicability for New Projects and Major Changes

2 Historical Operations

| Criterion/Section/ Figure/Table Number | Comment | Initial Secretariat Response | Secretariat Recommendation to SC | SC Decision |
|--|--|---|----------------------------------|-------------|
| 2.9 b | <p>How is 2.9. b i supposed to be working? What is the relevance of "historic aluminium operations" in this context?</p> <p>This criterion should only be applicable where there are indigenous peoples or documented conflicts around land use, etc. It is not at all a requirement for M&As in industrialised countries and should only be triggered if the due diligence (2.9.a) has identified any related issues in pre-M&A activities.</p> | <p>Suggested addition, but depends on SC thoughts:</p> <p>Application:</p> <ul style="list-style-type: none"> • Criterion 2.9(a) applies to all Facilities. • Criterion 2.9(b) applies to Facilities post-merger or –acquisition where Criterion 2.9(a) has identified material risks. | | |
| 2.5 | <p>This criterion in its paragraphs b - e goes well over the top!</p> <p>b) What do you mean by "Historic Aluminium Operations"? The glossary entry does not really help or clarify! How far back is one expected to go? This is much too blurry and vague to be a meaningful Standard criterion!</p> <p>C - e) Such a management plan should only be required if material NEGATIVE impacts need to be prevented or minimised. No new liability for "historic" impacts may be generated, or conflict with legal departments is due. The dimensions of the management plan should only have to cover the relevant areas, i.e. if there is no negative social impact, only environmental dimension needs to be covered (and vice versa).</p> <p>e) Publication of the full plan is NOT ADEQUATE, as it may contain privileged information. Publishing an outline/summary of the essentials should be sufficient!</p> | <p>Threshold for Historical AL Operations?</p> <p>"Negative" impacts covered by the materiality definition?</p> <p>Env/Soc & HR Impact Assessments – outline only (decision)</p> | | |
| 2.6 | <p>2.6. b</p> <p>"Historic Aluminium Operations" is simply too blurry and vague as a reference. Delete paragraph b, as it is not workable and will only result in lengthy, but futile discussion with auditors.</p> <p>2.6 e</p> <p>Full disclosure as requested here is inappropriate. Disclosure requirement should be limited to a summary/outline of the essentials of the assessment, the plan and the outcome of the review.</p> | | | |

2.5 Environmental and Social Impact Assessments

The Entity shall:

- a. Conduct environmental and social Impact Assessments for New Projects or Major Changes to existing Facilities.
- b. Ensure Impact Assessments consider how Baseline Conditions are affected by Historic Aluminium Operations.
- c. Implement an environmental and social impact management plan to prevent, mitigate and, where necessary, remediate any material impacts identified.
- d. Review the environmental and social impact management plan at least every 5 years.
- e. Review the environmental and social impact management plan on any change to the Business that alters material environmental, social and governance risk(s).
- f. Review the environmental and social impact management plan on any indication of a control gap.
- g. Publicly disclose the environmental and social Impact Assessments and the latest active version of the environmental and social impact management plan.

2.6 Human Rights Impact Assessment

The Entity shall:

- a. Conduct a Human Rights Impact Assessment, including a gender analysis, for New Projects or Major Changes to existing Facilities.
- b. Ensure that the Impact Assessment considers how Baseline Conditions are affected by Historic Aluminium Operations.
- c. Ensure the Human Rights Impact Assessment includes an assessment of Indigenous Peoples' rights.
- d. Implement a gender-sensitive Human Rights impact management plan to prevent, mitigate and, where required, remediate any material impacts identified.
- e. Review the Human Rights impact management plan at least every 5 years.
- f. Review the Human Rights impact management plan after any change to the Business that alters material Human Rights risk(s).
- g. Review the Human Rights impact management plan on any indication of a control gap.
- h. Publicly disclose the Human Rights Impact Assessment and the latest active version of the Human Rights impact management plan, with due consideration for not posing risks to Affected Populations and Organisations or to legitimate requirements of commercial confidentiality.

2.9 Mergers and Acquisitions

The Entity shall:

- a. In Due Diligence processes for mergers and acquisitions, review its environmental, social and governance practices related to this Standard, including those associated with Historic Aluminium Operations.
- b. Post-merger or acquisition:
 - i. Share information regarding the material environmental, social and governance impacts of Historic Aluminium Operations with Affected Populations and Organisations.
 - ii. Implement a plan, developed in Consultation and in cooperation with Affected Populations and Organizations, to mitigate the material environmental, social and governance impacts of Historic Aluminium Operations.
 - iii. Share progress against the impact mitigation plan with Affected Populations and Organisations annually.

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- SC agreed to discuss the concept of Historical Aluminium Operations for post-revision issues.

3 Next Steps

- Secretariat:
 - Implementation of SC decisions and Secretariat Actions from log
 - Clean up of docs
 - FINAL DRAFT Docs to legal around 28 March (cc Standards Committee)
 - Opportunity for format/tidy up during legal review period
- Legal review 14 days
- Standards Committee meet 13 April to make recommendation to Board (27 April_)

4 Agreed Upon Actions & Close

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

Thank you

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