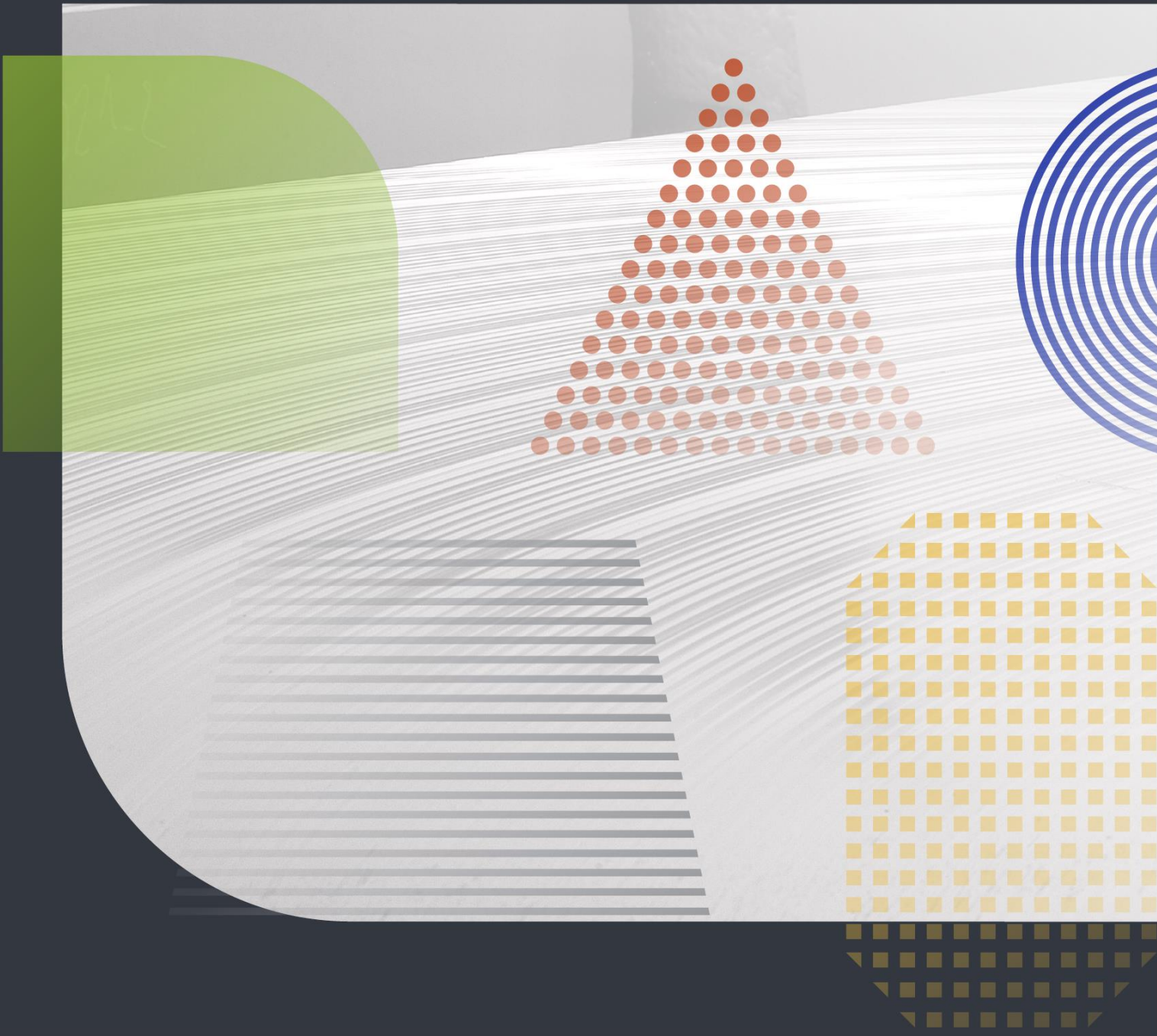# ASI Performance Standard – Guidance

VERSION 3.1
April 2023

Aluminium Stewardship Initiative (ASI)

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

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

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

Our **values** include:

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

General Enquiries

ASI welcomes questions and feedback on this document.

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Disclaimer

This document does not intend to, nor does it, replace, contravene or otherwise alter the requirements of the ASI Constitution or any applicable national, state or local government laws, regulations or other requirements regarding the matters included herein. This document gives general guidance only and should not be regarded as a complete and authoritative statement on the subject matter contained herein. ASI documents are updated from time to time, and the version posted on the ASI website supersedes all other earlier versions.

Organisations that make ASI-related claims are each responsible for their own Compliance with Applicable Law, including laws and regulations related to labelling, advertisement, and consumer protection, and competition or antitrust laws, at all times. ASI does not accept liability for any violations of Applicable Law or any infringement of third-party rights (each a Breach) by other organisations, even where such Breach arises in relation to, or in reliance upon, any ASI Standard, document or other material, recommendation or directive issued by or on behalf of ASI. ASI gives no undertaking, representation or warranty that Compliance with an ASI Standard, document or other material, recommendation or directive issued by or on behalf of ASI will result in Compliance with any Applicable Law or will avoid any Breach from occurring.

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

ASI Performance Standard – Guidance

Contents

Introduction

1. Purpose

The **ASI Performance Standard** is structured into three sections:

A. **Principles 1– 4. Governance:** Business Integrity; Policy and Management; Transparency; Material Stewardship
B. **Principles 5 – 8. Environment:** Greenhouse Gas Emissions; Emissions, Effluents and Waste; Water Stewardship; Biodiversity and Ecosystem Services
C. **Principles 9 – 11. Social:** Human Rights; Labour Rights; Occupational Health and Safety.

The Guidance is structured in the same way, providing general guidance to Businesses wishing to implement systems and Procedures that can comply with the **ASI Performance Standard**.

The **ASI Performance Standard** sets out requirements for <u>what</u> a Business must be able to do but does not prescribe <u>how</u> systems and Procedures are designed and implemented to achieve this.

The 'Implementation' section for each Principle provides general guidance for implementing each of the Criteria in the **ASI Performance Standard**. The guidance is not normative and should be seen as a starting point for information and support where required. The introductory sections in the Guidance provide centralised information on recurring requirements throughout the Standard (i.e. public disclosure and review), and these should be read in conjunction with criteria-specific Guidance.

Where criterion text states 'where possible', and where the Entity has assessed that such action is not possible, the Entity should provide the Auditor with adequate reasoning for its assessment.

The Guidance therefore offers background, explanation and points to consider. However, these are general guidance only and non-prescriptive.

The **ASI Performance Standard** is the final point of reference and contains normative text.

2. How to read the Guidance

The Guidance is designed to assist ASI Members to fulfil their commitment to implement the **ASI Performance Standard** and achieve Certification. There are individual guidance chapters for each of the 11 Principles in the **ASI Performance Standard**. They will be of most use to Members who are preparing for their initial Certification, or who wish to compare their current approach against the intent of the criteria.

The Guidance is also intended as a resource for ASI Accredited Auditors carrying out independent Third Party Audits. More generally, it is publicly available to anyone who wishes to find out more about ASI's Standards.

Each criterion Guidance is formatted to the following template:

/Criterion [mandatory text]

/Application [mandatory text]

/Background [optional text]

/Affected Populations and Organisations [optional text]

/Entity Size and Maturity [optional text]

/Implementation [optional text]

/Implementation/Resources [optional text]

/Implementation/Risk assessment [optional text]

/Implementation/List or registers [optional text]

/Implementation/Policies [optional text]

/Implementation/Processes [optional text]

/Implementation/Management systems [optional text]

/Implementation/Communication [optional text]

/Review [optional text]

/Public Disclosure [optional text]

/Auditing [optional text]

/External links [optional text]

/Further reading [optional text]

3. Implementing Effective Management Systems

A number of the Criteria in the **ASI Performance Standard** are based on a Management System approach. Management Systems will vary depending on the nature of the individual Business and its circumstances.

In general terms, the following are elements of effective Management Systems that may assist with implementation of the **ASI Performance Standard**:

- Risk assessment is a valuable management tool to identify and characterise actual and potential risks. It can be used to prioritise areas among the applicable criteria in the Standard. For Members with mature Management Systems in place, a review or extension of their existing risk assessments should be sufficient to identify and address any outstanding issues. The risk assessment will identify whether implementation or modification of any of the following would be appropriate.
- Senior managers or officers being assigned responsibility for the subjects addressed under the **ASI Performance Standard.**
- Written Policies and Procedures can clarify the Business' position on key issues and identify ways to put the Policies into practice. If preparing these materials for the first time, or for smaller Businesses, think of ways to be efficient. For example, Policies and Procedures can be recorded in a presentation that is then used for training purposes.
- Check and Act is a tool to monitor the effectiveness of Policies and Procedures in meeting their objectives, and to address gaps identified.
- Record keeping is fundamental to any Business and allows to measure progress over time. It provides an essential source of information for internal reviews, and where relevant, valuable evidence for external audits.
- Training helps personnel to focus on priorities and understand the Policies and Procedures of the Business. It is an important way for new and existing personnel to learn about what they need to do and keep pace with a flexible and evolving Business.

4. Smaller Businesses

ASI aims to make ASI Certification accessible to all Businesses, large and small. Businesses join ASI on the basis of annual turnover/revenue as given in Table 1.

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

Very Large	Large	Medium	Small	Micro
More than US$10 billion	Between US$1 billion and US$10 billion	Between US$100 million and US$1 billion	Between US$10 million and US$100 million	Less than US$10 million

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

In smaller Businesses, Management Systems may be less formal but still effective. For example, it is much easier to communicate Policies and programs to a small workforce, thereby reducing the need for extensive documentation. Senior managers often work in close proximity to other employees of the Business. This can create a high degree of awareness of the issues and risks which need to be managed.

Assurance leading to ASI Certification will not be less rigorous for smaller Businesses, but the relevant Objective Evidence of Conformance may differ. Auditors are instructed to look for adequate proof of Conformance for the size of the organisation. Documentation that is fit for purpose and consistent is usually the foundation of a functional Management System and may be quite simple for smaller Businesses. Interviews also give an indication of how systems are performing in practice. In smaller Businesses, Auditors may rely more on interviews since they can reach a larger proportion of the workforce than in a larger workplace.

5. Public Disclosure

A number of Criteria throughout the **ASI Performance Standard** require that Entities publicly disclose information on the Management Systems implemented and the performance of the Entity, or instruments such as Policie(s), plans, programs.

Public disclosure has different contexts depending on the scenario and can refer to a document or a series of documents being communicated through the organisation's website (for large companies), in forms that are readily understood by certain audiences, or making them available upon request (SMEs).

Information included in an annual report and/or sustainability report or on an Entity (or Entity-inclusive) website are all acceptable forms of public disclosure, within the bounds of Applicable Law.

- Large companies are recommended to follow the guidelines by the Global Reporting Initiative (GRI), or similar reporting Guidelines. See criterion-specific Guidance for the relevant GRI standard.

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Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

8

- For small-to-medium enterprises (SMEs), it is sufficient to make information available in the form of a memorandum or email, or information on the company's website, and does not need to be a printed publication.

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

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

Unless otherwise prescribed by the Standard, for Entities with multiple sites, public disclosure may be done in aggregate. However, Auditors would be given access to data on a Facility-by-Facility basis to determine Conformance for all Facilities within the Certification Scope.

6. Regular Review

Unless otherwise prescribed by the Standard, the frequency of review of Management System instruments (Policies, management plans, etc) throughout the Standard should occur:

- at least every 5 years.
- on any changes to the Business that alter risk(s) pertaining to the instrument in question.
- on any indication of a control gap, i.e., when a control does not exist, does not effectively mitigate a risk or is not operating effectively. Control gaps can relate to the design effectiveness or operating effectiveness of the control.

The purpose of the review is to determine the effectiveness of the instrument and to ensure that it is fit for purpose. Consider involving Affected Populations and Organisations in the review.

The frequency of review would be influenced by:

- The size and scope of the Business;
- The degree of risk in the geographic locations where the Business operates and/or activities in which the Business participates;
- The degree to which the instrument(s) is aligned with existing Business practices;
- Changes within the company or external to the Business which would impact the instrument(s) (including any mergers and/or acquisitions)
- Alignment with legal requirements.

Following a review, improvements should be identified and implemented where required in subsequent updated versions. This could include when the instrument has been found to:

- Not be fully effective in meeting its objectives;
- Not meet stakeholder expectations;
- Not align with leading practices;
- Not meet legislative requirements.

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Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

9

It is important to note that a review will not necessarily trigger an update or change to the instrument.

Auditability of Criteria related to regular Review

It is expected that during an initial Certification Audit, an Entity may have just implemented the instrument(s) (i.e. Code of Conduct, Policies, Plan) and a review may not yet have been conducted. In these cases, it is expected that Criteria related to the regular review of the instrument would be found to be Not Applicable and would indicate the planned date of the review. Future Surveillance/Re-certification Audits would verify the review was conducted as planned.

ASI Performance Standard – Guidance

A.   Governance

1. Business Integrity

Principle

The Entity shall conduct its Business with a high level of integrity and Compliance.

Background

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

Implementation

1.1 Legal Compliance

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

Application

This criterion applies to all Facilities.

Background

Legal compliance obligations may include legislation and regulations, permits and licenses, local by-laws, and court decisions and directions. The focus of this criterion is on the need for Entities to have systems in place to be aware of and maintain Compliance with Applicable Law and conformance with Customary Law. It does not encompass a full legal compliance audit.

Implementation - Resources

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Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

11

The Entity may consider:

- Assigning a Compliance officer.
- Procuring competent and qualified legal personnel internally (e.g., legal counsel or legal department) or via external services (e.g., law firms, experts, or industry associations).

Implementation - Processes

The Entity should:

- Seek legal advice where there is uncertainty about legal requirements.
- Consider putting in place Procedures to monitor legal developments and identify evolving areas of legal risk.

Implementation – Lists or registers

The Entity may make reference to (internally or externally maintained) registers on:

- Relevant legislation and regulations, required licences and permits
- Reporting and disclosure obligations
- Business impacts
- Requirements additional to those of Applicable Law which apply to the Entity's activities, products and services, which might include:
  - Indigenous Peoples consultation protocols;
  - Agreements with public authorities;
  - Agreements with customers,
  - Non-regulatory guidelines, voluntary principles or codes of practice, requirements of industry associations,
- Agreements with Local Community groups or non-governmental organisations,
- Public commitments of the Entity or the parent Member organisation or corporate/company requirements.
- The person or persons within the Business with responsibility for ensuring Compliance and for accessing information about the legal requirement and any associated developments.

- The frequency of Compliance evaluations either by legal requirement or commensurate with risk.
- Measures to correct non-Compliances.

Legal Compliance registers could be either centralised or maintained at the applicable level of an organisation (e.g, on a country or site basis), as best suits the needs of the Business.

Auditing

Sometimes Applicable Law may unclear or subject to legal challenge, which may impact Conformance Ratings . The Auditor consult guidance provided by the relevant legislative authority and/or to the Entity.

Conformance may be granted for pending operating permits or licenses, providing there is no reason why the approval should not be given

Further reading

- Cuskelly, Katrina. (2011). Customs and Constitutions: State recognition of customary law around the world. IUCN, Bangkok, Thailand. vi + 151 pp. ISBN: 978-2-8317-1429-5

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1.2 Anti-Corruption

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

Application

This criterion applies to all Facilities.

Implementation - Resources

The Entity may consider:

- Assigning personnel with responsibility for anti-Corruption activities.
- Implementing an accessible whistleblowing mechanism as part of an effective Grievance Mechanism.
    criterion

Implementation - Processes

The Entity may consider:

- Implementing processes to verify the legitimacy of cash transactions.
- Limiting cash transactions to a maximum of US$10,000 (or context-specific threshold, e.g. customary exchanges), where there is no legal requirement to do so (e.g. some jurisdictions set a legal €10,000 or US$10,000 limit).
- Establishing Procedures for reporting, recording, scrutinising, approving and declining gifts from Third Parties, including hospitality and entertainment.

Implementation – Risk assessment

The Entity may consider:

- Conducting an assessment to identify those parts of the Business that are potentially exposed to Corruption.
- Procuring competent and qualified expertise or via external services.
- Establishing a documented anti-Corruption program to mitigate identified risks, including:

- Training;
- De-centralised approval Procedures;
- Enhanced oversight of higher-risk transactions;
- Documented selection criteria for new suppliers and Contractors;
- Recording instances of attempted Bribery and their investigation;
- Third Party Audits of high risk parts of the Business.
- The Entity should regularly review the effectiveness of the risk assessment and anti-Corruption measures. This should be undertaken by competent personnel who are free from conflicts of interest.

Implementation – Management systems

The Entity may consider establishing a seinor management endorsed Management System addressing Corruption risks that is communicated to all Workers. For implementation guidance consult Introduction Section 3. Implementing Effective Management Systems.

Further reading

- o Good practice guidelines:
    - Transparency International Business Principles for Countering Bribery (2013 Edition)
    - Rules of the International Chamber of Commerce on Combatting Corruption (2019 Edition)
    - Partnering Against Corruption Initiative (PACI) Principles
    - ISO/CD 37001:2016 Anti Bribery management systems

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

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

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

1.3 Code of Conduct

The Entity shall:

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

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

c. Review the Code of Conduct at least every 5 years.

d. Review the Code of Conduct on any changes to the Business that alter Material environmental, social and governance risk(s).

e. Review the Code of Conduct on any indication of a control gap.

Application

This criterion applies to all Facilities.

Background

Codes of Conduct define behaviour expectations for management and Workers, clarifying an organisation's mission, values and principles and linking them with standards of professional conduct. While they do not necessarily prevent inappropriate behaviour or fraud, they do provide legal and ethical frameworks for internal control. criterion

Affected Populations and Organisations

Where there are Indigenous Peoples present in an Entity's Areas of Influence, the Code of Conduct should include a commitment to respect their rights.

Implementation – Policies

The Entity's Code of Conduct may refer specifically to areas of environmental, social and governance performance covered by the ASI Performance Standard

Implementation - Communication

The Entity may consider attaching the Code of Conduct to company contracts, where relevant.

Review

See Introduction Section 6. Regular Review. When implementing the Code of Conduct and/or conducting a review, consider:

o Whether it is reflected in operational Policies and Procedures.

o Whether there are potential gaps between the Code of Conduct and actual Business practices.

o How to implement action plans to address any gaps.

Public disclosure

See Introduction Section 5. Public Disclosure.

Good practice is reporting in line with GRI 3: Material Topics 2021 – Disclosure 3-3 Management of material topics.

Auditing

See Introduction Section 5. Public Disclosure.

External links

- [GRI 3: Material Topics 2021](#)
- [Queensland Government Business website.](#)

2. Policy and Management

Principle

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

Implementation

2.1 Environmental, Social and Governance Policy

The Entity shall:

a. Implement integrated or stand-alone Policies consistent with the environmental, social and governance practices included in this Standard.
b. Have senior management endorse the Policies and support them through provision of resources.
c. Review the Policies at least every 5 years.
d. Review the Policies on any changes to the Business that alter Material environmental, social and governance risk(s).
e. Review the Policies on any indication of a control gap.
f. Communicate the Policies internally and externally as appropriate.

Application

This criterion applies to all Facilities.

Background

Policies demonstrate Business commitment and enable effective communication with Affected Populations and Organisations.

Implementation – Policies

The Entity's Policies may refer to areas of environmental, social and governance performance covered by the ASI Performance Standard V3.

Implementation - Resources

Management can demonstrate commitment to the implementation of the Policies by:

• Ensuring that Business activities are in line with the Policies.

- Checking that the Policies are reflected in operational Procedures.
- Identifying and addressing any potential gaps between Policies, Business Activities and Procedures.
- Regularly reviewing and updating the Policies.

Implementation – Communication

The Entity should communicate the Policies to:

- Affected Populations and Organisations
- Workers

Communication channels and materials should be appropriate to the audience and be accessible and understood, and may include the prominent display of the Policies, both in full form and in educational posters and through training.

To support Workers in embedding Policies in their own work, they should be aware of the Policies:
- Directly linked to their position.
- Relevant for the specific responsibilities and tasks they are performing.

Review

See Introduction Section 6. Regular Review.

For all Businesses, including small and medium sized, an annual discussion among management is an opportunity to review issues and check progress.

2.2 Leadership

The Entity shall:

a. Nominate at least one senior Management Representative to lead the implementation of the Policies under criterion 2.1a
b. Nominate at least one senior Management Representative to lead communication of the Policies under criterion 2.1f.
c. Provide the resources needed to implement, maintain and improve the Management Systems required throughout the ASI Performance Standard.

Application

This criterion applies to all Facilities.

Implementation - Resources

The Management Representative should have:

- Knowledge of how the Business operates.
- Familiarity with internal systems.
- Engagement with the relevant departments.

Resources can include training and capacity building to support Workers' understanding of the ASI Performance Standard V3.

Consider the need for training and capacity building to support the development of knowledge and understanding of the ASI program, as needed within the organisation.

Implementation – Management Systems

See Introduction Section 3. Implementing Effective Management Systems.

2.3 Environmental and Social Management Systems

The Entity shall implement integrated or stand-alone:

a.   Environmental Management Systems.
b.   Social Management Systems.

Application

This criterion applies to all Facilities.

Background

Management Systems are relevant for all types of operations and will vary depending on the nature, scale and key risks of the Business. The benefits of an effective Management Systems include:

- More efficient use of resources.
- Improved risk management.

For more information see Introduction Section 3: Implementing Effective Management Systems.

Affected Populations and Organisations

Management Systems consider impacts to and interests of Workers and Affected Populations and Organisations. Human Rights, labour rights and Occupational Health and Safety, among other issues, are addressed through the design and implementation.

Auditing

The **ASI Assurance Manual** identifies Recognised Standards and Schemes that would fulfil the requirements of this criterion.

2.4 Responsible Sourcing

The Entity shall:

a. Implement a responsible sourcing Policy, covering environmental, social and governance issues, consistent with the Principles in this Standard.
b. Publicly disclose the latest version of the responsible sourcing Policy.
c. Review the responsible sourcing Policy at least every 5 years.
d. Review the responsible sourcing Policy on any changes to the Business that alter Material environmental, social and governance risk(s).
e. Review the responsible sourcing Policy on any indication of a control gap.

Application

This criterion applies to all Facilities.

Implementation - Policies

A responsible sourcing Policy:

- Identifies and considers Material environment, social and governance risks associated with procurement.
- Address risks in a manner commensurate with the Members' control or influence over its suppliers.
- Is integrated through all relevant levels of the Business.

Implementation – Processes

The Entity may consider:

- Implementing supplier Due Diligence processes
- Conducting risk evaluations (see Appendix 5 for a of non-exhaustive sample list of potential tools and questions that may be used by an Entity in their Due Diligence and/or Responsible Sourcing practices);
- Developing responsible procurement targets;
- Using sustainability questionnaires;
- Including sustainability considerations in contracts:
- Undertaking supplier audits;
- Deploying resources to address identified issues.

Implementation – Communication

The Entity may consider referencing the Policy in purchase orders or contract documentation, in newsletters and on websites.

Review

See Introduction Section 6. Regular Review .

Frequency of the review will be influenced by the risks associated with the supplier, which can include the types of goods and services it supplies and the size, location and diversity of its activities.

Public disclosure

Good practice is reporting in line with GRI 3: Material Topics 2021.

Auditing

See Introduction Section 6. Regular Review.

External links

European Aluminium has developed a responsible sourcing toolkit which is available to ASI Members and can be found in elementAl, in the 'Downloads' tab.

For further advice on supply chain Due Diligence approaches, consult available references including:

International Financial Corporation (IFC) Performance Standard 1 – Guidance Note;
UN Guiding Principles on Business and Human Rights;
OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas;
GRI and RMI Reporting Toolkit.

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 changes to the Business that alter 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.

Application

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

Implementation – Risk assessment

An environmental or social Impact Assessment will identify and address risks associated with developments, expansions, exploration activities and significant changes to operating Facilities within the Certification Scope. It will consider the nature, scale and potential impacts of the activity. For example, what might be appropriate at an exploration stage may be different than for an operating mine or office facilities may have a lower risk than large scale industrial activity change.

Identification of risks and impacts should be based on:

*   Recent environmental and social baseline data.
*   Impacts at the landscape level.
*   Land use planning requirements, including temporary uses of land (e.g. for short or long term industrial, agricultural or community activities, relocation and access roads, storage and disposal areas and construction camps).
*   Impacts of Associated Facilities.
*   Participation of Affected Populations and Organisations.
*   Opportunities to collaborate with other partners (e.g. regional development authorities, infrastructure project consortia working with infrastructure design standards and protocols such as Global Infrastructure Basel and the Hydropower Sustainability Protocol.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

23

- Cumulative impacts.

The Impact Assessment should include an analysis of alternative approaches to the design of the project, where appropriate.

Implementation – Processes

The Biodiversity Mitigation Hierarchy should be followed, favouring avoidance of impacts over mitigation. (See Principle 8 Biodiversity).

The Impact Assessment should address risks associated with closure, decommissioning, and divestment and Mine Rehabilitation (see criterion 8.7 and 2.10);

Where Bauxite Mining and related infrastructure has the potential to impact an area of significant conservation value, the Impact Assessment should:

- Be conducted by Qualified Specialists, using a standardised approach. Consider the following:
  o Often Qualified Specialists need to be engaged to carry out baseline studies and to facilitate and document the outcomes of an Impact Assessment.
  o Impact Assessments are often more credible if prepared, or at least peer reviewed, by an independent firm.
- Reflect the characteristics and interests of Affected Populations and Organisations, and it should involve meaningful participation of those identified as disadvantaged or Vulnerable or At-Risk.
- Include a cumulative Impact Assessment that accounts for all indirect impacts, which may include:
  o Risks to the provision of basic resources (food, water, energy) and other natural resources (including Waste management) needed to sustain the lives of Workers' families and Affected Populations and Organisations.
  o The prevention inappropriate logging, water abstraction, agricultural development, poaching, habitat loss and fragmentation.
- Be conducted within the context of a risk Management System for managing risks and impacts (see Section 3. Implementing Effective Management Systems).

Review

See Introduction Section 6. Regular Review.

Frequency of review will be influenced by:

- The degree to which the environmental and social impact management plan effectively reduces or eliminates the identified risks.
- Changes within or external to the Business (e.g. mergers and acquisitions or Force Majeure).
- Changes over time in the expectations of Affected Populations and Organisations on the Member, Entity and/or sector.

Public Disclosure

Good practice is reporting in line with GRI 413: Local Communities 2016.

Auditing

See Introduction Section 6. Regular Review.

External links

[International Association of Impact Assessment: Best Practice Principles Series](#);

[Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development: Environmental and Social Assessments](#);
[IRMA Responsible Mining Standard: Environmental and Social Impact Assessment & Management](#);
[International Financial Corporation (IFC) Performance Standard 1 – Guidance Note](#).

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 Human Rights Impact Assessment considers how Baseline Conditions are affected by Historic Aluminium Operations.
c. Ensure that 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 changes to the Business that alter 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.

Application

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

Criterion 2.6c applies where the presence of Indigenous Peoples or their lands, territories and resources is identified.

Affected Populations and Organisations

Where Indigenous Peoples are present conduct consultative Impact Assessments that:

- Fully encompass Area of Influence (which incorporates areas identified as culturally significant by Indigenous Peoples) in line with global leading practices (see Further reading below).
- Impact Assessments should consider trans-boundary impacts in cases where Indigenous Peoples span national borders.
- Consider cumulative impacts.
- Are participatory and provide Indigenous Peoples with the option to conduct aspects of the assessment themselves, where they so choose.
- Consider health impacts at all stages of the project lifecycle, which should be carefully monitored and mitigated, with participation by Indigenous Peoples, where they so desire.

Entities should consider providing resources to enable Indigenous Peoples to select Qualified Specialists to review Impact Assessments.

Implementation – Risk assessment

The Entity should identify potential impacted Rightsholders. Where none is identified, the Entity should provide evidence that there are no impacted Indigenous Peoples or other Rightsholders associated with the New Project or Major Change. In such cases, a Human Rights Impact Assessment is not required.

There are occasions when a New Project or Major Change would not cause specific changes pertaining to Human Rights risks. The Entity should identify any changes in Human Rights risks. Where none is identified (for example, the location remains the same, or jobs created are similar), the Entity should provide evidence showing how they confirmed their findings.

Human Rights Impact Assessments address:

- Differential impacts on women, children, the elderly and other vulnerable or At-Risk groups.
- Impacts as experienced by Rightsholders, using language derived from established, broadly accepted, international Human Rights instruments such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (1998).

The following ten key criteria for a Human Rights Impact Assessment have been developed by the Danish Institute for Human Rights, consistent with the UN Guiding Principles and OECD Due Diligence Guidance on Responsible Business Conduct.

1. Participatory: involving the direct engagement of Rightsholders, or in cases of extreme insecurity, their legitimate representatives.

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

Implementation – Processes

The impacts identified by the Human Rights Impact Assessment may be managed through the Entity's social Management System (criterion 2.3) and a Human Rights Due Diligence process (criterion 9.1), and as part of the plan required under criterion 9.7.

The Human Rights Impacts Assessment may be stand-alone or as part of the Impact Assessment required in criterion 2.5.

Auditing

The following, consolidated indicators ca be assessed without reviewing the full Human Rights Impact Assessment and demonstrate that implemented processes are fit for purpose:

1. Engages diverse Rightsholders (including Indigenous Peoples) directly (Danish Institute for Human Rights criteria 1 & 2).

2. Includes analysis of "business relationships" and encompasses all rights in the Universal Declaration (Danish Institute for Human Rights criterion 7).
3. Includes feedback to/with Rightsholders (Danish Institute for Human Rights criteria 3, 4 & 5).
4. Rates impacts by severity (Danish Institute for Human Rights criterion 6).
5. Prioritizes interventions by severity of Human Rights impacts (Danish Institute for Human Rights criteria 8, 9 & 10).

While all five indicators are essential, the effectiveness of a Human Rights Impact Assessment is predominantly determined by the successful implementation of the first two. The Auditor should consider whether the absence of either of these constitutes a Major Non-Conformance. Absence of any of the three other components may be considered a Minor Non-Conformance.

Even when the relevant components of the Human Rights Impact Assessment have been applied, Auditors can offer Suggested Business Improvement in the Audit Report, for instance where a company has included feedback (indicator 3) to most of the Rightsholders but missed one unintentionally (e.g. through a change in staff or a change in contact).

Auditors can find further guidance in how differentiate between potential Minor and Major Non-Conformances in the decision tree in Appendix 1.

Review

See Introduction Section 6. Regular Review.

The frequency of review will be:

- The degree to which the management plan effectively manages identified Human Rights risks.
- Changes within or external to the Business (e.g. mergers and acquisitions or Force Majeure).

Public Disclosure

Good practice is reporting in line with GRI 412: Human Rights Assessment 2016 - 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Further reading

- the Canadian Government's Practitioner's Guide to the Impact Assessment Act;
- 'Effectiveness in social impact assessment (O'Faircheallaigh, 2012);
- Akwé: Kon Guidelines published by the Convention on Biological Diversity.

External links

- For additional methodologies see:

  o [Danish Institute for Human Rights. Human Rights Impact Assessment Guidance and Toolbox](#);
  o NomoGaia (2012), [Human Rights Impact Assessment: A toolkit for practitioners conducting corporate HRIAs](#);
  o Organisation for Economic Co-operation and Development (2015), [Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector, Paris: OECD](#);
  o Salcito, K., Utzinger, J., Weiss, M.G., Münch, A.K., Singer, B.H., Krieger, G.R., & Wielga, M. (2013). [Assessing human rights impacts in corporate development projects. Environmental Impact Assessment Review](#), 42, 39-50;

- For additional key frameworks:

  o United Nations Human Rights Council (2011), [Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, A/HRC/17/31 (UN Guiding Principles)](#);
  o Organisation for Economic Co-operation and Development (2011), [OECD Guidelines for Multinational Enterprises, Paris: OECD Publishing;](#)

- Additional Overviews and Key Literature

  o World Bank and Nordic Trust Fund (2013), [Human Rights Impact Assessments: A Review of the Literature, Differences with other forms of Assessments and Relevance for Development, Washington: World Bank and Nordic Trust](#);
  o Harrison, James (2013), [Establishing a meaningful human rights due diligence process for corporations: learning from experience of human rights impact assessment, Impact Assessment and Project Appraisal](#), 31:2, 107-117;
  o Kemp, Deanna and Frank Vanclay (2013), [Human rights and impact assessment: clarifying the connections in practice, Impact Assessment and Project Appraisal](#), 31:2, 86-96.

2.7 Emergency Response Plan

The Entity shall:

a. Implement site specific emergency response plans, developed in collaboration with Workers, Affected Populations and Organisations and relevant agencies.
b. Review the emergency response plans at least every 5 years.
c. Review the emergency response plans after any changes to the Business that alter the nature or scale of emergency incident risks.
d. Review the emergency response plans on any indication of a control gap.
e. In the absence of situations where the emergency response plans have been executed, test the plans.

f. Publicly disclose the latest version of the emergency response plans.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

Collaboration with Affected Populations and Organisations should include Vulnerable or At-Risk groups, and take into account gender considerations.

Emergency response plans are often highly technical documents. The aim of consultation is not to seek feedback on the technical analysis but to ensure that plan designers understand the needs and concerns of Affected Populations and Organisations and that Affected Populations and Organisations understand how they are being safeguarded.

In addition to public disclosure good practice is to communicate the content of emergency response plans to Affected Populations and Organisations.

Implementation – Risk assessment

Site-specific emergency plans are based on a risk analysis and may include consideration of factors such as:

- Geographical location and climate;
- Sensitivity of potentially affected ecosystems;
- Potential impacts on people, environments and assets;
- Emergency response participants including roles, resources and responsibilities.

The Entity may consider linking emergency response plans to hazard identification, risk assessment, Impact Assessment and relevant Management Systems.

Review

See Introduction Section 6. Regular Review.

The frequency of review will be influenced by:

- Changes within or external to the Business (e.g. mergers and acquisitions or Force Majeure).
- The occurrence of an emergency which necessitates implementation of the plan and identifies areas for improvement.

Auditing

For Guidance on auditing sub-Criteria related to review, consult Section 6 of the ASI Performance Standard Guidance Introduction.

External links

[International Council on Mining and Metals (ICMM)/United Nations Environment Programme (UNEP) – Good Practice in Emergency Preparedness and Response](link) (2005).

2.8 Suspended Operations

The Entity shall:

a. Develop a Business resilience plan to address situations where it may have to suspend or significantly alter operations due to factors outside its control, which takes into account Material adverse environmental, social and governance impacts.
b. Review the Business resilience plan at least every 5 years.
c. Review the Business resilience plan after any changes to the Business that alter the nature or scale of environmental, social and governance risks.
d. Review the Business resilience plan on any indication of a control gap.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

The Entity may, to the extent possible, engage with Affected Populations and Organisations to ensure that it is not exacerbating any significant issues by its actions or omissions and continues to meet its commitments around Human Rights remediation, including providing for or cooperating in remediation where it identifies it has caused or contributed to adverse Human Rights impacts.

Implementation

Examples of significantly altered operations include:

- Significantly reduced staffing levels, for instance from three shifts to one or two;
- A project not being initiated or continued on the planned schedule;
- Closure or part of the operation;
- Facility care and maintenance (minimal staffing levels required to maintain operations).

For factors 'outside an Entity's control, see 'Force Majeure' in the **ASI Glossary.**

Suspension or significant alteration of operations should not have adverse environmental impacts. The Entity may consider:

- Management of all Waste storage facilities;
- Rehabilitation commitments;

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

31

- Implementation of necessary components of the Biodiversity Action Plan;
- Environmental obligations such as managing weeds, Alien Species and feral animals and fire management.

Review

See Introduction Section 6. Regular Review.

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 with and, where possible, with the participation of Affected Populations and Organisations, 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.

Application

Criterion 2.9(a) applies to all Facilities.

Criterion 2.9(b) applies to Facilities post-merger or post-acquisition.

Affected Populations and Organisations

Engagement with Affected Populations and Organisations should be appropriate to the audience, using communication channels and materials that are accessible and understood.

Implementation - Processes

For any planned mergers and acquisitions undertake Due Diligence, against the following risks, in addition to financial risks:

- Environmental risks: for example, pollution and contamination of land, air and water, related legal compliance issues, eco-efficiency, Waste management and recycling and reuse, water use and efficiency, energy use and efficiency, natural resource scarcity, climate change and carbon emissions reduction strategies, and hazardous chemicals

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- Social risks: for example, the treatment of Workers, health & safety, labour conditions, Child Labour, Forced Labour and Human Trafficking, Human Rights, supply chains, equality and diversity, and treating customers and communities fairly. Review to determine if the host government conducted an adequate consultation process aimed at obtaining Indigenous Peoples' Free, Prior and Informed Consent prior to approving operations.
- Governance risks: for example, the governance of environmental and social issue management, anti-Bribery and Corruption, Business ethics and transparency

Risk factors include operating locations, nature of the Business, and previous management and operational practices.

The Entity may consider evaluating management measures to address social, environmental and governance risks.

External links

For further advice on Due Diligence for environmental, social and governance risks, consult available references including the [International Financial Corporation (IFC) Performance Standard 1 – Guidance Note](), and the [UN Guiding Principles on Business and Human Rights]().

2.10 Closure, Decommissioning and Divestment

The Entity shall:

a. Review environmental, social and governance practices related to this Standard in the planning process for closure, decommissioning and divestment.
b. In Consultation with and, where possible, with the participation of Affected Populations and Organisations, develop a plan for monitoring of Material environmental, social and governance impacts, including Legacy Impacts, associated with the closure, decommissioning or divestment.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

Ongoing engagement with Affected Populations and Organisations located within the Entity's Area of Influence will usually include regular discussion of long-term projections for the Facility, including the outcomes associated with potential closure, decommissioning and divestment. Affected Populations and Organisations should be informed of, consulted with, and offered the opportunity to meaningfully participate in the terms for closure, decommissioning or divestment, as early as practically possible by the Facility, regardless of whether such closure, decommissioning or divestment is planned.

Where Indigenous Peoples are present, criterion 9.4 Free Prior and Informed Consent (FPIC) applies.

Implementation - Resources

Financial provision to implement the plan must be either set aside prior to or during active operations, provided by other revenue resources, or made available through the security of other assets. The choice of financial assurance option may depend on regulatory requirements.

Provide adequate financial assurance, in consultation with Affected Populations and Organisations, to ensure that resources are available to meet closure and Mine Rehabilitation requirements.

Implementation - Policies

As part of the planning process, develop and implement Policies and Procedures for any planned closure, decommissioning or divestment of operations.

Implementation - Processes

An integrated approach to closure addresses environmental, economic and social considerations throughout an operation's life cycle, from as early as possible (e.g. from the design or exploration phase).

The Entity may consider:

- Associated Facilities.
- Impacts on the Area of Influence.

Closure plans:

- Can be complex and span time horizons that stretch over decades. The focus of this criterion is on the long-term advance planning for responsible exit, including ongoing participatory dialogue with Affected Populations and Organisations, rather than a time-bound rollout of a specific instance of closure, decommissioning and divestment.
- Should aim for the restoration pre-operational values (including Biodiversity and Ecosystem Services) in accordance with Affected Populations and Organisations wishes and/or regulatory requirements, or other agreed end use.
-   Consider the risks associated with closure, decommissioning and divestment, taking into account location, size and position within the supply chain, and plan and allocate resources accordingly.
- Address environmental, social, economic and governance parameters that, over the life of an operation and post-closure generations, will inevitably change.
- Closure plans prevent negative impacts and promote positive outcomes.

The planning process for closure, decommissioning or divestment of an operation is based on an ongoing assessment, identification and mitigation of risks, as per criterion 2.3.

Consider developing the plan for monitoring the environmental, social and governance issues identified in the review process in criterion 2.9. Some of the issues may include Legacy Impacts.

External links

[Responsible Disengagement from Coal as Part of a Just Transition](#) by SOMO provides some insights on managing Human Rights impacts involved in closures, decommissioning and divestments.

3. Transparency

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

Background

Transparency is an increasing and evolving expectation of the private sector, which aims to promote accountability and enable third parties to understand and evaluate performance and impacts.

Implementation

3.1 Sustainability Reporting

The Entity shall publicly disclose:

a. Its governance approach to environmental, social and economic impacts.
b. Its Material environmental, social and economic impacts related to Principles in this Standard.

Application

This criterion applies to all Facilities.

Background

Companies are increasingly incorporating environmental, social and economic information into their public reporting. Often framed as Sustainability Reporting, it responds to the expectations of a wide range of Stakeholders. The need for common frameworks for Sustainability Reporting led to the development of the Global Reporting Initiative (GRI). Other reporting frameworks continue to emerge to focus on particular regulatory contexts, sectors and issues.

Affected Populations and Organisations

The Entity may consider communicating the following in a suitable form for Affected Populations and Organisations:

- Key issues that are of interest to them and/or are Material to the Entity.
- Policies with respect to key issues.
- Any actions the Entity has taken or plans to take with respect to key issues.

- Where possible, quantitative or qualitative outcomes that the actions have achieved or are expected to achieve;
- Information sufficient to assess the adequacy of the Entity's responses to issues raised by Affected Populations and Organisations.

Implementation

The Entity may consider undertaking a Materiality assessment to determine the most relevant indicators on which to report, including those relevant to Affected Populations and Organisations.

GRI 3: Material Topics 2021 provides step-by-step guidance for organisations on how to determine Material topics for disclosure.

The Entity may way wish to align Sustainability Reporting with the following:

- Annual financial reporting.
- Contributions to the UN Sustainable Development Goals (SDGs).
- Reporting on implementation of the UN Guiding Principles on Business and Human Rights
- Annual reporting on Human Rights and Conflict-Affected and High Risk Areas Due Diligence system and practices.
- Communicating progress under the UN Global Compact.
- Disclosing revenues under the Extractive Industries Transparency Initiative (EITI).
- Affected Populations and Organisations, including Workers engagement processes.
- Regulatory reporting, for example Morden Slavery Statement or supply chain Due Diligence.
- Information for ethical investment markets.

Public Disclosure

See Introduction Section 5. Public Disclosure.

3.2 Non-Compliance and Liabilities

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

Application

This criterion applies to all Facilities.

Implementation

Where the Entity has no information to disclosed, a brief statement of this fact is sufficient.

In cases where disputes are resolved according to Customary Law, the Entity may consider public disclosure of the terms of settlement, with consent.

Public Disclosure

See Introduction Section 5. Public Disclosure.

The Entity may disclose Material fines and non-monetary sanctions in terms of:

- Total monetary value of Compliance fines.
- Total number of non-monetary sanctions.
- Cases brought through Grievance Mechanisms.
- Corrective actions.

Good practice is reporting in line with GRI Standards:

- GRI 205: Anti-Corruption 2016 - Disclosure 205-3: Confirmed incidents of corruption and actions taken.
- GRI 206: Anti-Competitive Behavior 2016 - Disclosure 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.
- GRI 307: Environmental Compliance 2016 - Disclosure 307-1: Non-compliance with environmental laws and regulations.
- GRI 411: Rights of Indigenous Peoples 2016 - Disclosure 411-1: Incidents of violations involving rights of indigenous people.
- GRI 419: Socioeconomic Compliance 2016 - Disclosure 419-1: Non-compliance with laws and regulations in the social and economic area.

3.3 Payments to Governments

The Entity shall:

a. Only make, or have made on its behalf, payments to governments, including political parties, on a legal and/or contractual basis.
b. Publicly disclose payments to governments building on existing audit and assurance systems.
c. Publicly disclose the value and beneficiaries of financial and in-kind political contributions, whether made directly or through an intermediary, on an annual basis or building on existing audit and assurance systems.

Application

This criterion applies to all Facilities.

Implementation – Public disclosure

See Introduction Section 5. Public Disclosure.

Good practice is reporting in line with GRI 415: Public Policy 2016 - Disclosure 415-1: Political contributions.

The Extractive Industries Transparency Initiative (EITI) is a multi-stakeholder initiative which sets a global Standard for companies and governments to disclose information along the extractive industry value chain – from how extraction rights are awarded, to how revenues make their way through government and how they benefit the public.

The Entity may consider:

- Endorsing the EITI principles and expectations, in the form of a Policy or similar, and make this available on the company website.
- Disclosing all Material payments made to participating governments in the form of taxes, royalties, signature bonuses and other forms of payments or benefits.
    - This should be in the form of applicable reporting templates and country workplans.
    - The EITI Business Guide provides advice on EITI reporting requirements.
- Disclosing payments to governments in non-EITI countries, where contract confidentiality provisions allow such disclosure.

3.4 Stakeholder Complaints, Grievances and Requests for Information

The Entity shall:

a. Implement a Complaints Resolution Mechanism that is,
   I. Legitimate;
   II. Accessible;
   III. Predictable;
   IV. Equitable;
   V. Transparent;
   VI. Rights-compatible;
   VII. A source of continuous learning;
   VIII. Based on engagement and dialogue;
   IX. Adequate to address Affected Populations and Organisations' complaints, grievances and requests for information relating to its operations.
b. Share the Complaints Resolution Mechanism with Affected Populations and Organisations.
c. Review the Complaints Resolution Mechanism at least every 5 years.
d. Review the Complaints Resolution Mechanism after any changes to the Business that alter Material environmental, social and governance risks.
e. Review the Complaints Resolution Mechanism on any indication of a control gap.

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f.   Publicly disclose the latest version of the Complaints Resolution Mechanism.

Application

This criterion applies to all Facilities.

Background

Effective rights-compatible Grievance Mechanisms offer channels to raise concerns early, openly, on an informed basis, with due protection and in an atmosphere of respect. They have the potential to limit dispute escalation, facilitate dispute resolution and contribute to the prevention of future disputes by enabling learning and enhancing relationships.

It does not include adjudicative mechanisms (judicial or non-judicial), which should be situated at least one step away from all parties, including the Entity. Instead, the emphasis here is on dialogue-based processes. These should encourage early resolution of issues at the local level wherever possible, without precluding access to other mechanisms.

Affected Populations and Organisations

The Entity may consider:

- Developing the mechanism through ongoing engagement with Affected Populations and Organisations as part of regular reviews of the mechanism. The Business may consider participating in "Worker-driven" or "Local Community-driven" mechanisms that originate from the Affected Populations and Organisations themselves. Consultations should account for geographical, structural, socio-political and economic barriers to information access.
- Seeking feedback on the Grievance Mechanisms from Affected Populations and Organisations at the conclusion of cases and regularly thereafter.
- Committee-based oversight mechanisms for complaints pertaining to migrants, women, and other Vulnerable or At-Risk groups. Such committees require representation of the complainant (e.g., women or Migrant Worker representatives), and may require expertise in specific issues, such as sexual harassment or labour trafficking.
- Anonymised complaints where structural, sociocultural and economic barriers prevent population subgroups (such as ethnic or racial minorities, women or gender minorities) from bringing complaints, anonymous complaints should be encouraged.
- Providing assistance (e.g., access to independent advice and/or mediation, funding additional resources) to women, marginalised groups and minorities where required.
- Identifying and removing barriers to complaint-making that are faced by women (e.g. cultural barriers, physical security, job security, and childcare responsibilities and costs).
- Maintaining organised records on frequency, patterns and causes of grievances.
- Analysing records to identify and address patterns barriers to access by migrants, women, and other Vulnerable or At-Risk groups, and Affected Populations and Organisations.

Implementation – Processes

A credible Complaints Resolution Mechanism (or Grievance Mechanism) is established in cooperation and with the participation of key Affected Populations and Organisations.

The Entity should demonstrate that the Complaints Resolution Mechanism (or Grievance Mechanism) can address all issues included in the ASI Standards.

The Entity may consider:

- Who Affected Populations and Organisations can contact to raise questions or get more information.
- Who is responsible for receiving and registering complaints and grievances.
- How they are addressed and by whom.
- Indicative timeframes for the various phases of complaint resolution.
- How some matters may proceed through escalation channels.
- What provisions exist for appeals.
- How the process aims to be sensitive to gender and takes into account cultural aspects that are relevant to the Entity.
- How the process will apply to Contractors or other agents acting on the Entity's.
- How records will be maintained.
- How processes and outcomes will be reported and evaluated.
- Providing the mechanism with an appropriate degree of independence from Business Activities, which can include:

  o Transparent hiring processes and appropriate reporting lines.
  o Control over a predictable budget.
  o Autonomy over Policies and Procedures.
  o The ability to accept and handle grievances independently of management.
  o The use of an independent, multi-stakeholder advisory panel, that is gender-balanced and properly representative of anticipated user groups and interests.

- Strengthening the authority of the mechanism, particularly through direct links to senior management, to affect change at an operational and institutional level. The grievance officer should have power to implement changes in operations management.
- Ensuring that technologies used in connection with grievance processes (for instance, in the collection and communication of information or the handling of grievances) comply with Applicable Law, Policies and Standards on privacy and data protection.
- Drawing from external sources of expertise (e.g., independent advisory panels, civil society organisations, Labour Unions or national Human Rights institutions) to ensure that the activities envisaged are methodologically rigorous from a Human Rights perspective and are implemented correctly.
- Developing and disseminating Policies on safeguarding against retaliation, on management of internal investigation, and on management of conflicts of interest and other ethical matters. Where complainants face reprisal risks, clear protocols for safeguarding their welfare should be in place.

For 3.4.a..i. Legitimate

- A Complaints Resolution Mechanism (or Grievance Mechanism) should be trusted by Stakeholders to be a fair process..

For 3.4(a)(ii) Accessible

- Consider how to make the mechanism accessible to all relevant Local Community members.
- Complaints could be accepted and addressed irrespective of the form in which they are made (e.g. oral communications in local languages, where Local Communities would have difficulty interfacing with technical processes or documents).

- Affected Populations and Organisations may request access to independent information and/or expertise, or a facilitator or mediator to support the dialogue process for some grievances.
- Anonymity may be important for some stakeholder groups or in some contexts, such as in situations of social conflict or in cases of whistleblowing.
- In some cases, such as where Affected Populations and Organisations are geographically widely spread, difficult to identify or locate, or otherwise difficult to reach, multiple access points and media will be needed for making complaints.
- Procedures for receiving grievances and for engaging with Affected Populations and Organisations should accommodate the languages most commonly spoken by the Affected Populations and Organisations and an array of media to accommodate varying literacy levels, data network access and other barriers to usage.

- Eligibility criteria to initiate grievance processes should be clear, minimal, and consistently and fairly applied. Time limits for accessing the mechanism (statutes of limitation) should be avoided as Affected Populations and Organisations may not immediately recognise abuses, be aware of the Complaints Resolution Mechanism (or Grievance Mechanism), or face other barriers to making a complaint.
- Consider reducing financial barriers that may be associated with the mechanism's use. Examples include making available, free of charge, appropriate advisory and support services (e.g. through helplines or designated case Workers), offline and online resources (e.g. pamphlets and videos), and assistance with translation of documents and other information. Furthermore, appropriate adjustments may be made to enhance access to different groups of Affected Populations and Organisations such as persons with disabilities. For example, through the provision of resources in braille and audio formats.
- The mechanism should preserve an appropriate degree of confidentiality as regards the identity of the person raising a grievance and the grievance process itself, taking into account the particular needs of people who may be at heightened risk of vulnerability or marginalisation.
- Where Indigenous Peoples are present, design of operational level Grievance Mechanisms may give due consideration to their Customary Law and legal systems.
- Where requested to do so by Indigenous Peoples, Entities can participate in existing customary Grievance Mechanisms.

For 3.4.a.iii. Predictable

- The Complaints Resolution Mechanism (or Grievance Mechanism) provides a clear and known Procedure with an indicative time frame for each stage and key decisions, and clarity on the types of process and outcome available and means of monitoring implementation.
- In circumstances where a mechanism seeks to cooperate with another Grievance Mechanism or a state agency, Affected Populations and Organisations should be consulted and reserve their rights to object. The mechanism should take account of risks of retaliation from both state and non-state actors as a result of any such cooperation.
- Foster a proper understanding among Affected Populations and Organisations of the work of the mechanism by publishing and proactively disseminating information on what the mechanism can and cannot offer.

For 3.4.a.iv. Equitable

- The Complaints Resolution Mechanism should be designed to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.

For 3.4.a.v. Transparent

- Regularly communicate accessible information to the public on items such as:

o   The types and nature of grievances.
o   The number of requests for initiation of grievance processes.
o   The number of requests that were rejected by the mechanism, and on what grounds.
o   The number of completed grievance processes, including by type of grievance.
o   The outcomes of grievance processes (including the outcomes of any follow-up activities undertaken by the mechanism).
o   Affected Populations and Organisations' satisfaction with the performance of the mechanism in general and in specific cases.
o   Any other data, information or analysis that improves understanding of the Grievance Mechnsims by Rightholders.

- Transparency should be consistent with protecting Affected Populations and Organisations from any risks (particularly from retaliation), and respecting commitments to confidentiality (including with respect to legitimate requirements of commercial confidentiality).
- Consider presenting information in redacted or aggregated formats, such as anonymised case summaries. Whatever solution is adopted, it is important that the input of Affected Populations and Organisations is sought and taken into account.

For 3.4.a.vi. Rights Compatible

- Complainants may not initially frame their complaints in terms of Human Rights. Regardless, care should be taken that outcomes and remedies are in with internationally recognised Human Rights.
- It is important for the Human Rights implications of remedies to be properly assessed and addressed so that the mechanism does not contribute to further harm. This requires a thorough understanding of the sociocultural and economic context within which remedial outcomes will be

implemented, including an understanding of Legacy Impacts (e.g. past Human Rights violations by state actors, such as in the context of forcible removals of people from land) and problems of entrenched gender or other forms of Discrimination.

- Grievance Mechanisms should incorporate feedback loops from remedial outcomes as part of a continuous improvement process.

For 3.4.a.vii. A source of continuous learning

- Regular analysis of the frequency, patterns and causes of grievances can help to identify and influence improvement to Policies, Procedures or practices.

For 3.4.a..viii. Based on engagement and dialogue

- A Business cannot be the subject of complaint and unilaterally determine their outcome. Therefore Grievance Mechanisms should focus on reaching agreed solutions through dialogue. Where adjudication is required ,this should be provided by a legitimate, independent Third Party mechanism.

Public disclosure

See Introduction Section 5. Public Disclosure.

Good practice is reporting in line with GRI 3: Material Topics 2021 - Disclosure 3-3: Management of material topics.

Auditing

See Introduction Section 6. Regular Review.

External links

- UN Office of the High Commissioner for Human Rights (OHCHR) Accountability and Remedy Project (ARP)
- Harvard University (2008): Rights Compatible Grievance Mechanisms
- ICMM (2019): Handling and Resolving Local-Level Concerns and Grievances: Human rights in the mining and metals sector
- Compliance Advisor Ombudsman: Grievance Mechanism Toolkit

- United Nations Development Programme (2017): UNDP Social and Environmental Standards (SES) Stakeholder Engagement - Supplemental Guidance: Grievance Redress
- International Organization for Migration (2021): Operational Guidelines for Businesses on Remediation of Migrant-Worker Grievances
- The Remedy Project (2022): Using Third Parties to Support the Design and Implementation of Grievance Mechanisms

4. Material Stewardship

Principle

The Entity is committed to take a life cycle perspective and to promote resource efficiency, collection and recycling of Aluminium within its operations as well as within the value chain.

Background

ASI's approach to material stewardship encompasses:

- Understanding the life cycle impacts of Aluminium production, use and end of life;
- Enhancing sustainability and environmental life cycle impact through resource efficient Product design;
- Minimising generation of Aluminium Process Scrap and, where generated, maximising its recovery;
- Optimising collection and recycling of products containing Aluminium at their End of Life and engaging with relevant Stakeholders to increase recycling rates.

Implementation

4.1 Environmental Life Cycle Assessment

The Entity shall:

a. Evaluate life cycle impacts of its major Product lines for which Aluminium is considered or used.
b. Provide, on customer request, adequate cradle-to-gate Life Cycle Assessment (LCA) information on its Aluminium (containing) product(s).
c. Ensure any public communication on LCA includes public access to the LCA information and its underlying assumptions, including system boundaries.

Application

This criterion applies to all Facilities.

Entity Size and Maturity

For smaller Businesses or for some applications, a simplified process with basic assumptions may suffice.

Implementation

This criterion is intended to apply for requests made by direct/supply chain/B2B customers.

Definition of the goal and scope of a Life Cycle Assessment (LCA) and analysis of the Life Cycle Inventory (LCI) includes the following:

1. Identification and quantification of the relevant raw materials and energy used (the 'inputs').
2. Identification of the processes involved in the production of saleable product (manufacturing, handling, operation of equipment, maintenance, Waste management etc.).
3. Identification and quantification of relevant outputs generated from the production processes, including atmospheric emissions (including GHG emissions), Waste water, solid and liquid Wastes.
4. Identification and quantification of all products produced (including any by-products).

Both 'attributional' (cut-off) and 'consequential' (avoided burden) Life Cycle Assessment methods are valid according to ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework and ISO 14044: 2006 Environmental management — Life cycle assessment — Requirements and guidelines.

For the treatment of scrap a method for allocation of processes and impacts needs to be chosen to fit the goal and scope definition of the assessment. There are two main approaches:

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

The choice of allocation often has a major influence on the results of the LCA for a particular product. Independent of the allocation approach used for recycling, the impact or credit from recycling should be provided separately.

When considering which Product lines are 'major', the following may serve as a guide:

- Those Products or Product lines which in aggregate consume more than two-thirds of the Aluminium used by the Entity.
- The top ten Products or Product lines, in order of largest proportion of Aluminium used by the Entity.
- Other approaches to considering 'major' Product lines have to be explained during an ASI Audit.

'Cradle-to-gate' LCA is an assessment of a partial Product life cycle from resource extraction (cradle) to the factory gate (i.e., before it is transported to the next step in the value chain). The use phase and disposal/recycling phase of the Product are omitted in this case. In other words, cradle-to-gate information covers your own production plus upstream impacts.

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

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

In evaluating life cycle impacts, consider the impact of the various production stages and of End of Life recycling. These analyses can also be used to develop plans for impact reductions over time. Note that for multi-material Products, the Aluminium component of the Product does not need to be singled out in the evaluation (for example, for B2C calculations). Conversely, for B2B applications, an LCA that covers only the Aluminium components would be sufficient.

If conducting a full Life Cycle Assessment, consideration should be made to the principles set out in ISO 14040:2006 and ISO 14044:2006 to advance consistency and comparability of assessments. Ensure appropriate expertise is involved in the assessment.

When evaluating life cycle impacts for your Products, make use of information and models produced by industry associations and published resources, as relevant. Contact your association/s to find out what Life Cycle Assessment (LCA) work has been completed or is underway that has relevance to your Products. These studies will contain data you can use to evaluate life cycle impacts and identify 'hotspots' in the supply chain. For example, the European Aluminium Foil Association publishes a range of studies for flexible packaging of food.

Some sectors and/or Product groups are defining preferred Standards for dealing with recycling in LCA. Atherton, J. (2007). Declaration by the Metals Industry on Recycling Principles. Int J Life Cycle Assessment 12, 59–60 states that: "For purposes of environmental modelling, decision-making, and Policy discussions involving recycling of metals, the metals industry strongly supports the end-of-life recycling approach over the recycled content approach." states the following: *"For purposes of environmental modelling, decision-making, and Policy discussions involving recycling of metals, the metals industry strongly supports the end-of-life recycling approach over the recycled content approach."*

Implementation - Communication

Consider finding or developing a cradle-to-gate LCA information document that can be easily made available to customers upon request.

Customer requests may be received by email, phone call or request via the Entity's website. LCA information as requested by the customer may be provided via a stand-alone response, or through regular updates provided in conjunction with other Product documentation associated with a sale or transaction.

Subject to agreement between the Entity and the customer, this information could be provided as part of the optional Sustainability Reporting requirements as prescribed in criterion 9.3 of the Chain of Custody Standard.

An LCA summary will generally include the following types of information:

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

Ideally, such public communication on LCA information or assessment results should be based on third-party verified LCAs conducted in accordance with ISO 14040 and 14044, and in line with ISO 14021, 14024 or 14025.

An Entity should be cognisant of the end use for such LCA data. For the purposes of public communication of LCA information, any commercially sensitive information is to be excluded, and other non-commercial data should be summarised so as only to demonstrate the broad inputs and outputs.

Public communication of LCA data (4.1(c)) is considered different to the provision of LCA data to the Entity's customers (4.1(b)). In the case of 4.1(b) these data are only disclosed to the customer and are likely to contain a greater level of technical detail and be provided in response to the specific supply chain activities present and product(s) manufactured by the customer. Note that confidentiality of site-specific or commercial-in-confidence data can be maintained. Background data used to prepare LCA information is often sourced from Third Party Life Cycle Inventory databases (such as GaBi, ecoInvent, etc). This can include data which makes a significant contribution to impact categories but is proprietary and often difficult to interrogate.

Where appropriate, the Entity can contribute to the development of average LCI databases in the region/s where they operate. This could be via direct provision of data or other resources, or via industry associations or other collaborative groups or initiatives. Entities are encouraged to provide data to industry level LCA studies organised by industry groups or trade associations, to improve the quality and representativeness of industry wide LCA information.

External links

- Relevant ISO Standards:
  - [ISO 14021: 1999 Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling)](#)
  - [ISO 14024: 2018 Environmental labels and declarations — Type I environmental labelling — Principles and proceduresl](#)
  - [ISO 14025: 2006 Environmental labels and declarations – Type III Environmental declarations – Principles and procedures](#)
  - [ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework](#)
  - [ISO 14044: 2006 Environmental management — Life cycle assessment — Requirements and guidelines](#)
  - Relevant European Standards:
  - [BS EN 15804:2012+A1:2013 Sustainability of construction works. Environmental product declarations. Core rules for the product category of construction products](#)
  - [DIN EN 15978 Sustainability of construction works - Assessment of environmental performance of buildings - Calculation method](#)

- A number of associations publish LCA information for production and use sectors. This can be cradle-to-gate, or simply 'gate-to-gate' if focused on a specific supply chain step.

  - For example, the [European Aluminium (EA) Environmental Profile Report](#), the [International Aluminium Institute Life Cycle Inventory (LCI) Data and Environmental Metrics](#) and the [Aluminum Association (US) Sustainability Reports](#) provide industry average data for the various Aluminium production processes.
  - Relevant life cycle information can also be contained in Environmental Product Declarations (EPDs). European Standards [BS EN 15804:2012+A1:2013 Sustainability of construction works. Environmental product declarations. Core rules for the product category of construction products](#) and [DIN EN 15978 Sustainability of construction works - Assessment of environmental performance of buildings - Calculation method](#) require that Auditors review and validate data associated with Environmental product Declarations (EPDs).
  - [EPDs developed by The Aluminium Association](#) (US) in accordance with [ISO 14025: 2006 Environmental labels and declarations – Type III Environmental declarations – Principles and procedures](#) and independently validated include those for hot-rolled Aluminium, cold-rolled Aluminium, extruded Aluminium, Primary Aluminium ingot and secondary ingot.
  - [EPDs developed by European Aluminium](#) include a set for building products.

4.2 Product Design

> The Entity shall integrate clear sustainability objectives in the design and development process for Products or components of the end Product to enhance Circular Economy outcomes.

Application:

This criterion applies to Semi-Fabrication, Material Conversion and Other manufacturing or sale of products containing Aluminium.

Background

This criterion is designed to apply to Entities that are involved in the design and development process of a Product or component. This includes companies that are involved in setting design objectives and specifications, and specifically excludes companies that are only retailers of finished products with no involvement in the design process. It is also less relevant for standardised semi-fabricated Products which do not necessarily have a design and development process but are inputs for further specialised manufacturing (e.g. Aluminium slugs). The focus of this criterion is on the use of Aluminium within the component or Product.

Implementation

Systems documentation related to Product design may include objectives covering resource efficiency, use phase optimization, recyclability, and/or scrap tolerance, as appropriate.

Consider taking into account the life cycle impacts of the end Product, as well as:

- Developing objectives to reduce the environmental impacts of products at the beginning of the development process;
- Specifying key design parameters that can affect the Product environmental footprint such as alloy/s, weight, percentage of expected Aluminium Process Scrap, and recyclability;
- Describing – and, where reasonable, quantifying – improvements compared to previous versions of the product;
- Monitoring progress towards objectives. If necessary, develop corrective action plans.

Examples of sustainability objectives and life cycle performance of Products include:

- Design for reuse or recycling;
- Design for dismantling or disassembly;
- Design for extended Product life.

Documents in which sustainability objectives might be integrated include:

- Providing primary data or LCAs, particularly cradle-to-grave, for final Products;
- Documentation of design and development process (description of development steps, milestones and responsibilities);

- Description and implementation of a 'design for recycling' process (such as recyclability of Internally Generated Scrap and End of Life scrap), or similar;
- Collection and documentation of primary data (such as energy or water consumption, material input, scrap, direct emissions etc.) for the production process.

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

4.3 Aluminium Process Scrap

The Entity shall:

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

b. Separate Aluminium alloys and grades for recycling.

Application

This criterion applies to Aluminium Smelting, Aluminium Re-melting/Refining, Casting, Semi-Fabrication, Material Conversion and Other manufacturing or sale of products containing Aluminium.

Implementation - Processes

Where this approach is not already integrated into production processes, evaluate the feasibility to commence or increase the separation of Aluminium alloys and grades.

Where environmentally and economically proven, seek to prioritise refined alloy separation that allows future alloy reuse within the same or similar quality product applications. Otherwise seek to group Aluminium Process Scrap by alloy families wherever feasible.

Where appropriate, integrate scrap separation as part of scrap and recycling management.

Implementation – Management systems

For each Aluminium-based Product line, consider all process steps and production areas where Aluminium Process Scrap is generated and identify specific measures that could minimize its generation.

Types of scrap to consider include run-around scrap, fabrication scrap, scalpings, edge and end trim, and discrepant product.

Continuous scrap analysis and Business excellence programs can help identify areas for improvement.

Consider all Aluminium Process Scrap sources and identify specific measures that could increase or maintain collection and recycling or re-use rates to target as much scrap as possible. Such measures could include:

- Increase employees' awareness and knowledge around Aluminium scrap and the associated economic value;
- In-house communication and training;
- Quantification of scrap amounts and visualization.

Segregation and closed loop recycling systems support better material integrity and recyclability but may require significant investment in segregation systems. The costs of segregating scrap may outweigh the value received in some situations.

4.4 Collection and Recycling of Products at End of Life

The Entity shall:

Where engaged in Material Conversion and/or Other manufacturing or sale of products containing Aluminium:

a. Implement a recycling strategy, including specific timelines, activities and targets.

b. Review the recycling strategy at least every 5 years.

c. Publicly disclose the latest version of the recycling strategy.

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

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

Application

This criterion excludes Products containing Aluminium where comparative Life Cycle Assessment demonstrates that material recycling is not the best option for the environment.

4.4(a), (b) and (c) apply to Material Conversion and manufacture or sale of products containing Aluminium.

4.4(d) applies to Aluminium Re-melting/Refining, Casting, Semi-Fabrication, Material Conversion and Other manufacturing or sale of products containing Aluminium.

Entity Size and Maturity

When developing a recycling strategy, take into account the Business size, context, local market conditions, the regulatory environment, existing end markets, available collection and recycling infrastructure, and consumer education and outreach.

For larger companies, consider informing the development of your collection and recycling strategy through stakeholder consultation involving for example customers, retail sector, consumers, and local, regional and national recycling systems. This can include input into the definition of strategic priorities as well as the definition of targets and associated deadlines.

Implementation

End of Life Products may include:

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

A recycling strategy may consider:

- Communications to customers;
- Product labelling requirements;
- An understanding of the Entity's products' influence on the uses of the products in the Aluminium supply chain;
- Research and development opportunities (e.g., increasing recycled content in products, consideration of different alloys etc.);
- Collaborative opportunities with peers, customers and industry associations, as part of a broader recycling community of practice.

A recycling strategy could be prepared as a stand-alone document or incorporated as part of an existing Waste or materials management plan. The integration of a recycling strategy may also extend into more strategic Business planning documents, in the event that recycling is a significant aspect of the Entity's scope of operations. The recycling strategy (or components of) may be referenced in the Entity's operational plans, capital expenditure plans, or Entity's five-year strategic plan (or equivalent).

Consider aligning targets with existing mandated and voluntary recycling targets at a national or sector level. Additionally consider aligning with existing Entity targets relating to production, collection rates, Waste management and energy use.

Consider how to deliver the most economic, environmental and social benefits. For example, an Entity could focus its efforts in an area where the recycling rates are particularly low, or it could focus its

efforts on areas where recycling rates are already good, but the impact of further effort is reasonably expected to be greater.

Implementation - Communication

Suppliers of commercial and consumer goods should prioritize their role in communicating directly with Product users about Aluminium collection and recycling, its economic, environmental and social benefits. Larger brands can play a significant role in raising awareness with consumers, whether acting directly with their market and/or in collaborative efforts.

The Entity may consider:

- Undertaking, as far as is practically possible, efforts to engage with relevant local, regional or national collection and recycling systems in your respective markets to support accurate measurement and increased recycling rates for End of Life products containing Aluminium. This could be direct engagement, through associations or other means.
- Encouraging the use of widely accepted calculation methods to determine accurate data on recycling rates. Where relevant, participate in efforts to harmonise and improve the accuracy of calculation methods and/or data collection.
- Promoting quantified recycling targets for dedicated products at regional level.
- Supporting programs aimed at achieving increased collection and recycling rates in the countries or regions where the Entity operates. For example, organisations like IGORA (Switzerland), and Keep America Beautiful and The Recycling Partnership (USA) work at a country level to enhance collaboration and action. Programs such as Every Can Counts in Europe and the UK are product-specific. Where these kinds of programs do not exist, where recycling is unregulated, or where legislation and enforcement are weak, consider how to initiate or support progress and actions in this area.
- Engaging and educating consumers and other Stakeholders about Aluminium collection and recycling, in particular the associated economic, environmental and social benefits.

Consider collaborating with value chain partners to increase collection and recycling rates in major markets. Partnerships can focus on thoughtful consumer outreach, access to collection infrastructure, processing at sorting facilities, technical assistance for municipalities or supportive Policies.

In cases where other disposal or treatment option/s have more favourable environmental outcomes than Product recycling, the Entity must demonstrate this fact to the Auditor and in such cases are not required to implement a recycling strategy.   This can be determined through comparative LCAs which may draw on information the Entity has already determined under criterion 4.1a or obtained from suppliers or the public domain.

Comparative LCAs must be based on a full-Life-Cycle Assessment and robustly prepared considering all major factors relating to inputs and impacts. The LCAs must have a consistent basis for comparison, for example, relative GHG emissions using similar methodologies. Other factors may include the availability and recoverability of the Aluminium in the End of Life Products, and the resources and impacts of the recovery process.

Review

See Introduction Section 6. Regular Review.

Frequency of review will be influenced by:

- Emerging leading practices;
- Changes in Stakeholder expectations;
- Consideration of voluntary initiatives on recycling.

Public Disclosure

See Introduction Section 5. Public Disclosure.

Auditing

See Introduction Section 6. Regular Review.

B. Environment

5. Greenhouse Gas Emissions

Principle

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

Background

The Aluminium sector is currently (2018) responsible for over 1.1 billion tonnes of Greenhouse Gas Emissions (as CO_2e) per annum, which is approximately two percent of all global anthropogenic emissions (and four percent of carbon dioxide) (IAI (2021) Aluminium Sector Emissions & GHG Pathways). More than 90% of these emissions are from primary production processes, which currently meet around 70% of annual metal demand.

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

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

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

Broadly aligned with the International Energy Agency's 'Net-Zero Emissions by 2050' Scenario, the IAI has developed a 1.5°C pathway for the Aluminium sector which indicates that by 2050 total Aluminium sector emissions would need to be reduced to around 50 million tonnes (Mt) CO_2e from a 2018 baseline of 1,100 Mt CO_2e and a projected Business as usual 2050 level of 1,600 Mt CO_2e.

Of this total, emissions from electricity consumed in all processes (but, in particular, Aluminium Smelting) would reach sub-10 Mt CO_2e by 2050. Non-electricity Primary Aluminium emissions (cradle-to-gate) would need to be reduced from 350 Mt CO_2e today to around 25 Mt CO_2e, whilst emissions from recycling and fabrication processes would need to be reduced to under 20 Mt CO_2e.

Implementation

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 energy and GHG Emissions data are independently verified, prior to publication.

Application

This criterion applies to all Facilities.

Implementation

Clear, readable and auditable emissions and energy use data are critical, as they form the basis for the development of the Entity's GHG Emissions Reduction Plan and reduction targets.

The data should be presented in a clearly defined and itemised manner, based on timeframe, scope, activity, location and/or Facility, and not reported in a consolidated manner.

Where Entity emissions are evolved from or energy is used in processes providing non-Aluminium products and services to Businesses outside the Certification Scope (e.g., exported power, heat and steam or sold baked anodes), it is recommended to report these separately from Aluminium production process sources.

Where processes are co-located but outside the Certification Scope of the Entity, their emissions and energy use are recommended to be reported separately.

Energy

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

A significant proportion of Entities (in particular in primary production) control energy transformation processes as well as energy use (e.g., combustion of gas to produce electricity or combined heat and power, subsequently used by Aluminium production processes and/or exported). Energy transformed in such processes (e.g., m^3 gas combusted) can be reported in addition to Aluminium

production process energy usage (e.g., kWh), or, where exported or outside the Certification Scope of the Entity, excluded from the report.

Greenhouse Gases (GHG)

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

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

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

It is good practice to include Scope 3 GHG emissions where these are considered Material.

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

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

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

As a general rule, Entities should consider as Material any emission source greater than 5% of the total (Scopes 1,2 and 3) GHG emissions inventory for Scope 1 and 2 and 10% for Scope 3. It is important to acknowledge that in some jurisdictions, Materiality thresholds may be specified under local regulatory reporting regimes.

Regulatory or other systems' Materiality thresholds may also specify a minimum emission total before public disclosure of emissions data. Under criterion 5.1, emissions are to be publicly disclosed regardless of their total; there is no minimum reporting threshold for the total emissions generated by the Entity.

Emissions accounting for the Entity will differ from the carbon footprint(s) of the Product(s) it produces. For the purposes of this criterion, the GHG Protocol Corporate Accounting and Reporting Standard and associated guidance and calculation tools is the recommended basis of emissions calculation. The reporting of Product carbon footprints is incorporated as an optional criterion in the ASI Chain of Custody (CoC) Standard (criterion 9.3).

For a summary of categories for Scope 3 emissions, consult the GHG Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Implementation - Processes

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

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

Independent verification (assurance) of energy and GHG emissions data as part of other certifications (e.g., ISO 50001 audits) or in the context of national or regional emissions trading schemes may be sufficient to satisfy the requirements of this criterion, if evidence can be presented that the data itself was the subject of verification, not only the management system under study.

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

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

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

There is no specific guidance available on what constitutes an appropriate level of effort required for the independent verification, as this should vary depending on the activities under study, the quality and quantity of emissions inventory data, the presentation and management of such data, and the level of co-operation provided by the Entity to the verifier. As a general guide, a single medium-sized

Entity may only require a half-day level of effort by the verifier, whilst a large organisation with multiple sites operating across several geographical regions may require several days of effort. In all cases, care should be taken to manage expectations of the Entity and verifier on the appropriate level of effort required, with clear communication between Entity and verifier prior to and during the verification process.

Public Disclosure

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

There is the potential for multiple datasets (verified and unverified) to be disclosed by Entities to meet the needs and requirements of a range of audiences, Stakeholders and purposes. Such datasets may have different scopes, included gases, calculation methodologies and uncertainties. Such diversity is normal and Auditors should be aware of this fact, but focus on the independent verification of all GHG emissions data publicly disclosed.

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

Good practice is reporting in line with Global Reporting Initiative Standards:

- GRI 302: Energy (2016) - Disclosure 302-1: Energy consumption within the organisation; Disclosure 302-3: Energy intensity; Disclosure 302-4: Reduction of energy consumption.
- GRI 305: Emissions (2016) – Disclosure 305-1: Direct Scope 1 GHG emissions; Disclosure 305-2: Energy indirect (Scope 2) GHG emissions; Disclosure 305-3: Other indirect Scope 3 emissions); Disclosure 305-4: GHG emissions intensity; Disclosure 305-5: Reduction of GHG emissions

5.2 Aluminium Smelter GHG Emissions Intensity

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

a. Started production after 2020, the Entity shall demonstrate that the average Mine to Metal Emissions intensity is below 11.0 tonnes CO2e per metric tonne of cast Aluminium (t CO2e/t Al).

b. Was in production up to and including 2020, the Entity shall demonstrate that Mine to Metal Emissions intensity:

I. Is below 11.0 t CO2e/t Al.
    or
II. Has been reduced by a minimum 10% over the previous three reporting periods and that the Entity has established GHG Emissions abatement plans that ensure Mine to Metal Emissions intensity is:

    a. below 13.0 t CO_2e/t Al by end 2025, and

    b. below 11.0 t CO_2e/t Al by end 2030.

Application

This criterion applies to all Aluminium Smelters.

Background

Global average Aluminium Smelter Mine to Metal emissions intensity is around 17 t CO_2e/t Al (IAI), with performance spread between 4 and over 25 t CO_2e/t Al.

The largest driver of variability within this range is the power mix of electricity for Aluminium Smelting (Scope 2 GHG Emissions when purchased, Scope 1 GHG Emissions when self-generated), which is from near zero to over 20 t CO_2e/t Al.

Scope 3 GHG Emissions (categories 1, 3 and 4) at a Smelter are on average globally around 3 t CO_2e/t Al (mainly from the Alumina Refining process upstream of Aluminium Smelting – which can also be scope 1 when owned/operated by the Smelter-operating Entity). The variability in these emission sources is much lower, with a range of around 2.5 to 4 t CO_2e/t Al.

The global average Mine to Metal emissions intensity (~16t CO_2e/t Al) is at the upper end of the range because the majority of Primary Aluminium produced (~60%) is from Smelters which utilise coal-fired power (IAI).

Gas-fired Smelters, or those with a fossil/low-carbon power mix, are typically at 9-11 t CO_2e/t Al (6-8 t CO_2e/t Al scope 1 and 2 only).

The IAI-developed 1.5°C pathway for the Aluminium sector indicates that average Mine to Metal emissions intensity needs to be below 13.5 t CO_2e/t Al by 2025 and 11.5 t CO_2e/t Al by 2030.

From 2030 global average primary emissions intensity must be reduced much more significantly and future iterations of this criterion will reflect this fact (as well as changing scientific consensus).

This criterion has been developed to align with ASI's Theory of Change: exclusion of high emitting Aluminium Smelters in baseline years would not give an opportunity for improvement in their performance certification. Thus, a pathway for improvement is included in the criterion, for those Aluminium Smelters operating at the upper end of the emissions curve. In general, switching of power source for high emitting Aluminium Smelters is very challenging (given they are mostly self-generating) but needs to occur.

This criterion also ensures that newly operating (post-2020) coal-fired Aluminium Smelters cannot be in Conformance.

Implementation

For 5.2(b)(ii) demonstration of a 10% reduction in emissions is over previous three-reporting periods (usually annual), not 10% per reporting period/year.

Calculations are at an individual Smelter level and not averaged across multiple smelting operations. It is important to appreciate that emissions data will change over time.

Use of the GHG Protocol (and related Aluminium tools for Aluminium specific process emissions calculations) is recommended. The use of alternative methods, whilst not recommended, is still provided for under the criterion. This provides a level of flexibility for situations where an Entity is required to report using a specific method under Applicable Law. In such cases, consistency with the GHG Protocol is advised, ensuring that any Material differences in method are clearly explained, and presented in conjunction with the data.

Mine to Metal Emissions include GHG Protocol Scope 1, 2 and 3 GHG emissions, categories 1, 3 and 4, or equivalent, measured at the Smelter Casthouse.

Scope 3 GHG Emissions are limited to those sources 'upstream' of the Aluminium Smelter Casthouse and to categories 1, 3 and 4 (GHG Protocol):

- Category 1 - Purchased goods and services
- Category 3 - Fuel- and energy-related activities
- Category 4 - Upstream transportation and distribution

These categories generally represent the most Material (upstream) Scope 3 GHG Emissions of an Aluminium Smelter and are most closely linked to precursor materials production processes (Bauxite, Alumina, carbon, fuels). Therefore, GHG Protocol Scope 1, 2 and 3 (categories 1, 3 and 4) can be seen to be almost equivalent to a (partial) cradle-to-gate carbon footprint of the cast Aluminium under study and delivering comparable data that allows like-for-like benchmarking of Smelter emissions.

Other upstream Scope 3 categories are less closely linked to production processes themselves, but rather the structure of the Business.

While GHG Protocol Scope 3 GHG Emissions under this criterion are limited to categories 1, 3 and 4, other criteria under Principle 5 may include all Scope 3 GHG Emissions categories, upstream and downstream of the Entity's activities, as these criteria are focused on decarbonisation strategies, emissions management and transparency, rather than (Smelter) operational performance in and of itself.

Abatement plans are implementable strategies of action to reduce direct and indirect emissions from the Entity's Aluminium Smelting activities, through technological, procurement or other means, but not through offsetting or other compensation mechanisms.

Auditing

There is no provision in the criterion for Entities which commenced operation on or after January 1, 2021 to operate above an 11.0 tonnes CO_2e per metric tonne Aluminium threshold. Auditors are directed to consider extenuating circumstances (such as significant operational disruptions or Force Majeure situations) if emissions exceed this threshold for a single reporting period and should therefore assess the typical or average emissions intensity for previous and subsequent reporting periods. Auditors should also consider the actions and resources that the Entity has dedicated to emissions reductions over the previous three reporting periods when making a judgement on Conformance.

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 that alter 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

Application:

This criterion applies to all Facilities.

Background

As of April 2022, the IAI 1.5 Degrees Scenario: A Model To Drive Emissions Reduction, broadly aligned with the International Energy Agency's 'Net-Zero Emissions by 2050' Scenario, is the only Aluminium sector-specific pathway available against which to develop a plan and associated targets.

The Science-Based Targets Initiative (SBTi) provides a framework and methodology that may be appropriate for use by some Entities, whereas in many circumstances it may not allow for all the inputs arising from the complexity of the Entity's scope of activities and supply chain activities. The current SBTi Sectoral Decarbonisation Approach (SDA) for the Aluminium sector is not aligned with Below 1.5°C Warming Scenario and has a limited scope compared with the IAI 1.5°C scenario. ASI is working to align the Aluminium sector SDA with a 1.5°C scenario and IAI developed, broadly IEA aligned scenarios may be updated in future. Alternatively, if other appropriate methodologies are developed that are appropriate for use in the sector, these may also be referenced in future iterations of this Guidance.

ASI reserves the right to modify its endorsements to meet evolving global competencies. As global consensus develops around a methodology, ASI intends to endorse only those that have gained global approval.

In order to develop a more accurate overall GHG Emissions Reduction Pathway for the Entity, specific pathways for each main emissions source may be developed. There will be different rates, end points and intermediate milestones for individual pathways, for each of which the Entity can identify investment needs, technological availability and readiness of infrastructure, and then recombine at pre-determined points in time.

IAI has specified three Aluminium sector-wide GHG emissions abatement pathways. Entities may consider these when developing their own specific GHG Emissions Reduction Pathway and may reference efforts already made to reduce emissions, when 1.5°C scenario aligned.

Implementation

Entities with significant value chain (Scope 3) emissions as part of their inventory could include procurement strategies and supplier and customer engagement within their GHG Emissions Reduction Plans. Tools for reducing Scope 3 emissions through supplier engagement include 1.5 Degree Supplier Engagement Guide, Buyer-Supplier Engagement to Reduce Upstream Scope 3 Emissions Transformation Guide and SME Climate Hub's online course for SMEs

Entities may use a combination of abatement options as part of a GHG Emissions Reduction Plan (information on which will be included within the plan), subject to commercial, technical and logistical viability. Availability and impact of options may also vary over time.

In addition to abatement plans, regulatory or voluntary contribution to emissions reduction outside of an Entity's value chain may form part of an Entity's broader emissions reduction plan. Further guidance can be found from the Science Based Targets Initiative.

Target setting

A GHG Emissions Reduction Plan articulates both a (2050) 'end state' and regular intermediate targets.

Such intermediate (quantitative) targets measure performance against technological and other (procurement/supply, investment) strategies on the part of the Entity, such that implementation of the strategy in a given (intermediate) period enables the next.

Long term targets focus on abatement (and neutralisation) as the primary route to emissions reduction.

Appropriate targets are those which go well beyond business as usual and are both measurable and indicative of progress along an ambitious pathway that is 1.5°C aligned. For example, the IAI's 1.5°C pathway for the Aluminium sector indicates a near 100% reduction in electricity related emissions by

2050 and around 95% reduction in Direct GHG Emissions intensity. While Entities will move at different rates towards this end point, the ambition is clear. Note the need for >11.0 Smelters to reach 13.0 by 2025 (more than half of the world's primary production is currently above 15.0) and thence 11.0 by 2030.

Low Materiality (<5% of total inventory) emission sources may be excluded from the plan, but may be subject to inclusion as the plan is reviewed and improved (and as they become Material).

Review

Consider involving Affected Populations and Organisations in reviews.

Following review, improvements should be identified and implemented where required. 'Where required' could include when the GHG Emissions Reduction Plan has been found to:

- Not be fully effective in meetings its objectives;
- Not meet Stakeholder expectations;
- Not align with leading practices;
- Not meet legislative requirements.

Public Disclosure

See Introduction Section 5. Public Disclosure.

Good practice is reporting in line with GRI 305: Emissions (2016) - Disclosure 305-5: Reduction of GHG emissions.

As targets and progress against such are to be publicly disclosed, 5.1 Disclosure of GHG Emissions and Energy Use (pre-publication independent verification of disclosed GHG data) will apply.

5.4 GHG Emissions Management

The Entity shall implement the necessary Management System, evaluation procedures, and operating controls to achieve performance aligned to the GHG Emissions Reduction Plan and targets developed in criterion 5.3.

Application

This criterion applies to all Facilities.

Background

Management Systems include GHG emissions reporting tools and databases, regular review, verification and quality control of data. This is in addition to the independent verification requirements as described in criterion 5.1.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

67

Implementation – Processes

Procedures for and implementation of regular data collation, validation and reporting of GHG emissions (refer to criterion 5.1) are recommended. They will also provide for and make clear which accounting and reporting method(s) has been selected by the Entity. It is recommended to present all assumptions, exclusions and estimations in these procedures, along with instructions for relevant Workers on how to use effectively the selected reporting methodologies.

Implementation – Lists or registers

Where deemed as a Material issue by the Entity, GHG emissions management are recommended to be incorporated into the Business risk register and/or environmental risk register as a separate entry and to be accompanied by a suite of GHG emissions reduction initiatives and improvement plans. These actions will specify appropriate human and financial resource allocation as well as deadlines and authorisations.

Implementation – Management systems

The Entity may have a separate energy Management System (developed in conformance to ISO 50001: Energy management systems or equivalent) where energy management procedures and work instructions make reference to the expected GHG emissions reductions from energy reduction activities and initiatives. It is recommended that the Energy Management System (or energy component of the integrated or environmental Management System) should demonstrate that the Entity has considered all currently available and economically feasible management technologies.

The Entity's Management System may cross reference emissions reduction initiatives in action plans, capital expenditure programs, Business improvement strategies and plans.

It is recommended that the Entity incorporate GHG emissions management and performance against emission reduction targets into internal auditing programs and protocols. This will assist Entities in understanding whether existing management and operational controls are sufficient to meet the reduction requirements as stated in the targets developed as part of criterion 5.3. Internal auditing programs may also make provisions for the identification of improvement opportunities.

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

Review

Good practice is for operational controls to be reviewed and inspected regularly, and/or reviewed on a regular basis including the ongoing relevance and applicability of procedures and work instructions.

6. Emissions, Effluents and Waste

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

Background

Emissions, and the generation of effluents and Waste can be directly related to operating processes, including raw materials management, processing and the output quality of products. Waste can also be generated by indirect processes such as transportation, administration and infrastructure development. Significant Wastes generated in Aluminium value chain production processes include Bauxite Residue (Alumina Refining), Spent Pot Lining (SPL) (Aluminium Smelting electrolysis) and Dross (Remelting/Refining and Casting).

The specific approaches taken to managing Wastes vary, based on a range of variables, including the Waste characteristics, the nature of the operation or activity, regulatory environment, local ecology, and the availability of Waste processing facilities. However, the basic principles of Waste management, based on the Waste Mitigation Hierarchy apply everywhere. The Hierarchy prioritises, in order, the prevention of Waste generation, followed by minimization of such, the reuse of Waste materials, recycling if they cannot be used in their existing form, and recovery of resources (such as energy). The last option for residual Waste under the Hierarchy is safe disposal

Implementation

6.1 Emissions to Air

The Entity shall:

a. Quantify and publicly disclose Material Emissions to Air from its activities and, where possible, from those within its Area of Influence on an annual basis.

b. Implement plans to minimise exposure to, and impacts from Emissions to Air.

c. Review the plans at least every 5 years.

d. Review the plans after any emissions event that exceeds internally or externally mandated limits.

e. Review the plans on any changes to the Business that alter Material risk(s) from Emissions to Air.

f. Publicly disclose the latest version of the plans.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

Enable the participation of affected Indigenous Peoples (where they desire), and any independent technical experts selected by them, to determine acceptable levels of Emissions to Air should their expectations differ from the pre-existing legislative framework relating to Emissions to Air.

Empower Local Communities to participate in the emissions monitoring program and provide regular communication of air emissions monitoring results to these communities.

Note that during the Impact Assessment and development approval stages, Emissions to Air should be incorporated in the Free Prior Informed Consent process as per Criteria 9.4 (FPIC) and 2.5 (Environment and Social Impact Assessments).

Implementation

For Bauxite Mining, consider the emissions and impacts associated with any explosives used to access resources, the removal of vegetation (i.e., through controlled burning), and dust emissions associated with transportation, the stockpiling or storage of Bauxite and the presence of bare earth.

An emissions monitoring program periodically measures or calculates relevant emissions identified in the inventory and/or reduction plan.

The monitoring plan may include a site plan that provides the specific location of all fixed monitoring equipment (including the requirements for their calibration), as well as air sampling locations, including all point sources (stacks, chimneys and vents), plus any locations where fugitive emissions are sampled.

Good practice for concentration of Emissions to Air (measure per volume of air) and volume limits (total emissions) would see development in consultation with Affected Populations and Organisations and technical experts and inclusion of benchmarks and milestones.

Where a set of leading practice concentration limits exist for a specific region and/or industry, these may be integrated within the emissions reduction plan.

Emissions to Air reduction plans will usually be developed in harmonization with applicable regulatory Emissions to Air and/or local air quality (atmospheric) standards. In the absence of applicable regulatory standards, prevailing international standards for air emission discharges and air

(atmospheric) quality such as the [International Finance Corporation Air Emissions and Ambient Air Quality Guidance](#) can be referenced.

Implementation – Risk assessment

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

When undertaking an Impact Assessment, consider parameters such as physical, chemical and biological stressors relating to the site's Emissions to Air, including particulate emissions.

Implementation – Management systems

The attenuation of noise emissions not only reduces impacts on Worker and community health, but also Biodiversity impacts . Attenuation of noise can be achieved through operational controls, such as (but not limited to) installation of insulative materials, installation of sound walls, enclosure of equipment and restrictions on the operating hours of fixed and mobile equipment.

In order to quantify Emissions to Air, Entities will usually develop a baseline inventory in consultation with Qualified Specialists and Affected Populations and Organisations. For Entities with multiple sites and processes, the inventory may be developed and periodically updated for each site individually, taking into account Applicable Law, including any annual site licensing requirements.

Use of site data can be used to calculate aggregate data at an Entity level.

Review

See Section 6. Regular Review.

See Introduction Section 5. Public Disclosure. The frequency of the review may also be influenced by:

- The degree of evolution practices for the treatment of Emissions to Air.
- Irregular or significant adverse monitoring results.

Public Disclosure

See Introduction Section 5. Public Disclosure.

Entities may include reporting on Emissions to Air under 3.1 Sustainability Reporting.

Good practice is reporting in line with [GRI 305: Emissions (2016)](#) - Disclosure 305-7: Nitrogen Oxides, sulfur oxides and other significant air emissions

Auditing

See Section 6. Regular Review.

6.2 Discharges to Water

The Entity shall:

a. Quantify and publicly disclose Material Discharges to Water from its activities and, where possible, from those within its Area of Influence on an annual basis.

b. Implement plans to minimise exposure to and impacts from Discharges to Water.

c. Review the plans at least every 5 years.

d. Review the plans after any discharge event that exceeds internally or externally mandated limits.

e. Review the plans on any changes to the Business that alter Material risk(s) from Discharges to Water.

f. Review the plans on any indication of a control gap.

g. Publicly disclose the latest version of the plans.

Application

This criterion applies to all Facilities.

Affected Populations and Organisation

Consider ensuring Affected Populations and Organisations are informed of all relevant laws and international Standards in relation to Discharges to Water.

Consider empowering Local Communities to participate in the water monitoring program and provide regular communication of water monitoring results to these communities.

Consider enabling the participation of Indigenous Peoples (where they desire) in baselines studies for Impact Assessments, and ongoing monitoring Discharges to Water and water quality against baselines and targets.

Note that during impact assessment and development approval stages, Discharges to Water should form part of a Free Prior and Informed Consent process as per criterion 9.4 Free, Prior and Informed Consent (FPIC) and criterion 2.5 Environmental and Social Impact Assessments.

Implementation

In order to quantify Discharges to Water, Entities will usually develop a baseline inventory in Consultation with Qualified Specialists and Affected Populations and Organisations.

- For Entities with multiple sites and processes, the inventory may be developed and periodically updated for each site individually, taking into account Applicable Law, including any annual site licensing requirements.
- Use of site data can be used to calculate aggregate data at an Entity level.

A monitoring program periodically measures or calculates relevant Discharges to Water identified in the inventory and/or management plan.

Water monitoring is usually undertaken in accordance with any site licensing requirements, however additional monitoring may be required, depending on seasonal variability, in particular after significant rainfall events.

The water monitoring program may include a site plan that provides the specific location of all fixed water monitoring equipment, as well as water sampling locations, including all licensed discharge points, stormwater discharge points plus any locations where water emissions are sampled.

In the absence of relevant local water monitoring criteria, consult the European Commission Water Framework, the USEPA Water Quality Criteria or the ANZECC & ARMCANZ Water Quality Guidelines.

Implementation - Risk assessment

Entities will usually assess the impacts to the receiving watershed from Discharges to Water. This assessment may include modelling that accounts for aquatic conditions and residence times, worst case emission scenarios and the location and type of downstream ecosystems and ecosystem services. Consider parameters such as physical, chemical and biological stressors relating to the site's direct and outsourced water effluents.

Implementation – Management systems

Management plans to minimize exposure to and impacts from Discharges to Water may be produced either as a stand-alone plan, or integrated into the water management plan (refer to criterion 7.2). For sites where water (inherent) risks are rated as high, it is recommended that a stand-alone, separate plan is developed.

The plan may include specific actions relating to maintaining the integrity of existing operational controls, as well as incorporating initiatives and improvement actions which aim to improve the quality of waters discharged to the environment over time.

Good practice for management plans for Discharges to Water would see development in consultation with Affected Populations and Organisations and technical experts and inclusion of benchmarks and milestones.

Where a set of leading practice concentration limits exist for a specific region and/or industry, these may be integrated within the management plan.

Management plans for Discharges to Water will usually be developed in harmonization with applicable regulatory, licensing and/or local water quality standards. In the absence of applicable regulatory standards, prevailing international Standards for water discharges and water quality such as the [International Finance Corporation Air Emissions and Ambient Air Quality Guidance](link) should be referenced.

Review

Regularly review progress against the water management plan and update the plan accordingly, to ensure that the baseline water quality of the receiving water bodies is maintained.

See Section 6. Regular Review. The frequency of the review may also be influenced by the degree to which practices for the treatment of Discharges to Water have changed.

Public Disclosure

Good practice is reporting in line with [GRI 303-4: Water and Effluents 2018](link) Disclosure 303-4 Water Discharge

Include reporting on Discharges to Water in Sustainability Reporting under criterion 3.1 Sustainability Reporting. Where discharges by the Entity include water from other Entities or Businesses outside the Certification Scope (e.g., single outflows from multiple sources), the Entity should ensure that publicly disclosed data is robust and reflects the Entity's specific Discharges to Water at a minimum.

Auditing

See Section 6. Regular Review.

6.3 Assessment and Management of Spills and Leakages

The Entity shall:

a. Conduct an assessment of major risk areas of operations where Spills and (or) Leakages could contaminate air, water and/or soil.

b. Implement a management plan (including compliance controls and a monitoring program) to prevent, detect and remediate Spills and Leakages.

c. Review the plan at least every 5 years.

d. Review the plan after any Spill or Leakage event.

e. Review the plan after any changes to the Business that alter Spills and Leakages risk(s).

f. Review the plan on any indication of a control gap.

g. Publicly disclose the latest version of the management plan.

Application:

This criterion applies to all Facilities.

Affected Populations and Organisations

Make sure that Affected Populations and Organisations are fully informed of all Material risks associated with potential Spills and Leakage and ensure that these communities are immediately notified of any Material uncontained Spill or Leakage (see criterion 6.4 Public Disclosure of Spills and Leakages)

Enable the participation of Indigenous Peoples (where they desire) in monitoring of risk areas to prevent and detect Spills and Leakages.

Implementation - Management Systems

Risk management processes are designed to mitigate identified risks through documented control measures. Control measures may include (but are not limited to) the following:

- Implementation of regular training processes for relevant Workers relating to prevention and mitigation of these risks;
- Regular inspection regimes related to leak prevention and containment equipment and structures (such as the integrity of hardstand areas, bunds, sumps, interceptor traps and drains;
- The regular integrity testing and inspection of all bulk storage vessels by technical specialists, including pipes and fill points;
- Installation of leak detection equipment and leak detection processes (such as reconciliation of statements and inventories related to chemical stored in bulk facilities);

- Implementation of monitoring systems aimed at preventing and detecting Spills and Leakage;
- Predictive modelling of Spills and Leakages.

Implementation - Processes

Remediation/management plans for Spills and Leakages should be included in risk management processes as should communication plans, including what, how, when and with whom communication is to be carried out.

Auditing

See Section 6. Regular Review.

6.4 Public Disclosure of Spills and Leakages

The Entity shall:

a. Disclose to Affected Populations and Organisations the volume, type and potential impact of Material Spills and Leakages as soon as practicable after an incident.

b. Publicly disclose Impact Assessments of Material Spills and Leakages, root causes and remediation actions taken on an annual basis.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

Ensure that all non-emergency remediation actions are undertaken in Consultation with and, where possible, the participation of Affected Populations and Organisations.

Implementation - Risk Assessment

The Materiality of a Spill and (or) Leakage should consider the volume, substance(s) and the potential impacts resulting from the Spill and (or) Leakage.

If and when a Material Spill or Leakage occurs:

- Immediately report the Spill or Leakage to emergency services and as soon as possible to Affected Populations and Organisations
- Update the risk management and communications plan (refer to criterion 6.3 Assessment and Management of Spills and Leakages) to track actions and progress.

Public Disclosure

Good practice is reporting in line with [GRI 306: Waste (2020)](#).

Disclosure may be included under criterion 3.1 Sustainability Reporting and/or communicated separately. It may be in addition to Applicable Law related to the reporting of Spills of Leakages.

Auditing

Where no Spills or Leakages have occurred in the time since joining ASI this criterion should be rated as Not Applicable.

6.5 Waste Management and Reporting

The Entity shall:

a. Quantify and publicly disclose the quantity of Hazardous and Non-Hazardous Waste generated by the Entity from its activities and, where possible, from those within its Area of Influence and associated Waste disposal methods on an annual basis.

b. Assess the Material impacts to human well-being and the environment of the Wastes in (a).

c. Implement a Waste management strategy that is designed in accordance with the Waste Mitigation Hierarchy.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

Ensure that a summary of Waste information is provided to Affected Populations and Organisations which includes a baseline statement that provides an overview of main Waste streams present on site, as well as typical quantities produced. Updates to this baseline is provided to affected communities on a regular basis.

Make reports available to Affected Populations and Organisations for their own review and, if requested, ensure access to independent experts is provided so that they can undertake their own validation.

Implementation - Management Systems

Options for improved Waste management may include technical measures (e.g., pollution control equipment), operational controls (e.g., better Procedures), production controls (e.g., controlling types of materials used), management controls (e.g. clearly defined responsibilities) and training.

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Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

77

Ensure that the Waste management strategy includes sustainable and integrated control measures that mitigate impacts from generation, management (including storage and handling), treatment, transportation and disposal of Wastes.

Consider developing benchmark targets and milestones for the Waste management strategy to deliver meaningful improvements over time to reduce impacts to humans and/or the environment. This could include time bound action plans to reduce landfill and achieve zero landfill as long term target.

Consider recycled materials and by-products for use by other industries, for example Bauxite Residue as a feedstock in the cement production process.

Characterise the Waste, considering factors such as sources, composition, separation, quantities, flow/production rates, transfer and storage, treatment, destination/pathways and disposal.

Consider partnerships with local Waste treatment and recycling facilities that can process those Wastes generated at the Entity, as well as those that can offer recycling facilities (treatment and/or collection).

Implementation - Risk Assessment

Risks associated with the off-site movement and transportation of Waste should take into account factors such as routes taken, proximity to populated areas, use of sealed containers, Waste transportation Contractors (including the appropriateness of vehicles and vessels), and any applicable regulations regarding transportation of Hazardous Waste. It is important to ensure that this is included in the Waste management plan as well as the controls developed for criterion 6.3 Assessment of Management of Spills and Leakages.

Public Disclosure

This may be included under criterion 3.1 Sustainability Reporting and/or made available on your website (for SMEs, the information can be made available on request).

The level of detail in reporting should reflect the level of interest or concern from relevant Affected Populations and Organisations. This may be in addition to Applicable Law relating to reporting of Hazardous and Non-Hazardous Waste.

If Waste quantity information is not readily available, estimate the weight or quantity using available information on Waste density and volume collected, mass balances, or similar information. Other potential sources of information include external Waste audits by providers of disposal services or Waste balance sheets from these providers.

Good practice is reporting in line with GRI 306: Waste.

6.6 Bauxite Residue

The Entity shall:

a. Not discharge Bauxite Residue to aquatic environments.

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

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

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

e. Assess the impact of the water discharge from Bauxite Residue storage area and mitigate any adverse actual or potential impacts to the environment.

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

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

Application

This criterion applies to all Alumina Refineries.

Affected Populations and Organisations

Consider informing Affected Populations and Organisations about the amounts of Bauxite Residue generated and its management, including any long-term strategies that related to the reconfiguration or decommissioning of any storage facility

Implementation

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

Water discharge can include surface run-off or groundwater that may have been impacted by leachable substances from the Bauxite Residue. Such discharges must be controlled and will typically require some level of chemical neutralisation. Partial or complete neutralisation can be achieved by the use of aqueous acid solutions, carbon dioxide, sulphur dioxide, sea water or concentrated brines. Neutralisation of the Bauxite Residue reduces the potential hazard associated with the deposit and can aid re-vegetation of the land during restoration.

In some coastal locations, leachate is treated with sea water to such a level that it can be released back to the sea or estuary under controlled conditions, and in accordance with Applicable Law. In the absence of local regulation addressing this, such releases should be managed in accordance with prevailing international standards.

Implementation – Risk Assessment

Routine checks and controls should be undertaken by internal personnel which would typically include visual inspections (at least on a weekly basis) to identify potential incidences of cracking, weeping, surface erosion or any other geotechnical abnormalities. Less frequent, but far more detailed inspections must be undertaken by an appropriately Qualified Specialist with expertise in geotechnical engineering, hydrogeology and dam safety.

The frequency of routine checks should be adequate to the type of Bauxite Residue storage. For example, lagooning has a higher degree of risk to maintaining ongoing storage integrity than dry storage. The climatic setting of the Bauxite Residue storage should also be factored when developing an inspection plan – areas subject to higher rainfall and/or a greater rate of significant/extreme rainfall events should be subjected to more frequent inspections.

The guidance for 6.3 Assessment and Management of Spills and Leakages is relevant in relation to uncontrolled release of Bauxite Residue and leachate.

Implementation - Processes

Good practice for Bauxite Residue storage currently includes dry stacking, dry disposal, and neutralisation of the Bauxite Residue. Other novel technologies or enhancements to existing practices may also emerge over time.

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

Implementation – Management systems

It is essential that Bauxite Residue storage areas are designed, constructed and maintained to ensure effective containment not only of the Bauxite Residue, but also leachates and surface water run-off, which can impact the environment if released.

Older Facilities may have storage areas that were constructed without a liner or base drainage system. In such instances, appropriate leachate containment and treatment controls must be in place and commensurate to the quantities managed and the nature of the Facility. Other controls to prevent releases/discharges of Bauxite Residue/leachate to the environment may include groundwater monitoring and leachate pumping bores.

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

Implementation – Communication

It is recommended that the Entity publicly disclose the location, size and age of the Bauxite Residue storage facilities. It is also suggested that information relating to the management of these Facilities is made available to interested Affected Populations and Organisations upon request.

Further Reading

Consult Sustainable Bauxite Residue Management Guidance, published by International Aluminium Institute (IAI, 2022) for design and operational recommendations for the sustainable management of Bauxite Residue storage facilities.

The ICMM Global Industry Standard on Tailings Management (2020) provides a comprehensive framework for the integrated approach to tailings management, to prevent catastrophic failure and enhance safety in tailings management, which has application to Bauxite Residue storage facilities.

International Council on Mining and Metals (ICMM) Review of Tailing Management Guidelines and Recommendations for Improvement (2016), and

ANCOLD Guidelines of Dam Safety Management and the Guidelines of Tailings Dams – Planning, Design, Construction, Operation and Closure.

6.7 Spent Pot Lining (SPL)

The Entity shall:

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

b. Optimise processes for the recovery and recycling of carbon and refractory materials from SPL.

c. Not landfill Untreated SPL where there is the potential for adverse environmental effects.

d. Review at least annually alternative options to landfilling of treated SPL and/or stockpiling of SPL.

e. Not discharge SPL to freshwater and brackish water environments.

f. Not discharge SPL to marine environments.

Application

This criterion applies to all Aluminium Smelters.

Background

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

Untreated SPL must not be landfilled unless the Entity can demonstrate that there are no adverse effects to the environment from the landfilled SPL or any leachate associated with the landfilled SPL.

The terms "freshwater and brackish water environments" and "marine environments" do not cover wet storage in specially designated areas which are sealed to avoid leakage.

Implementation

Seek to maximise recycling of carbon and refractory parts of SPL or treated SPL by-products. Maximising recycling includes considering availability of cost-effective alternatives.

Consider recycled materials and by-products for use by other industries, for example as a feedstock in the cement, mineral wool and steel production processes.

Benchmark SPL management alternatives and identify 'best available technology', considering the total costs, including long-term liabilities and risk premiums. Keep records of all actions undertaken in this regard, and review and update the management plan as appropriate.

Consider opportunities for collaboration to increase the supply of recyclable SPL materials to economic levels. Often individual Aluminium Smelters do not produce enough SPL to provide a continuous supply of feedstock, for example to enable a cement plant to justify their conversion to receiving this material or setting up of a centralised SPL treatment facility.

Further Reading

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

6.8 Dross

The Entity shall:

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

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

c. Maximise the recycling of treated Dross residues.

d. Review at least annually alternative options to landfilling of Dross residues.

Application

This criterion applies to all Aluminium Re-melters/Refiners and Casthouses.

Background

Dross can impact the environment if released. It is thus essential that storage areas are designed, constructed and maintained and controls for managing Dross are implemented to ensure effective containment of the Dross and its derivatives.

Implementation

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

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

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

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

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

Undertake regular investigations and reviews into better end-of-life options for the landfilling of Dross residues that reduce environmental impacts. Keep records of all actions undertaken in this regard, and review and update the management plan as appropriate.

7. Water Stewardship

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

Background

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

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

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

Implementation

7.1 Water Assessment and Disclosure

The Entity shall:

a. Identify, document and publicly disclose its water withdrawal and use by source and type on an annual basis.

b. Undertake an assessment and, where Material, publicly disclose water-related risks in Watersheds in the Entity's Area of Influence on an annual basis.

Application

This criterion applies to all Facilities.

Background

- A water balance is an approach used to identify and map the flow of water in and out of an operational Facility.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

85

- A site water balance is comprised of three main components: water withdrawals, water discharge and water consumption. The formula for calculating a site water balance is: withdrawal volume = discharge volume + consumption volume + any change in the volume of onsite water storage.

Affected Populations and Organisations

- Where present, Affected Populations and Organisations should be aware of, consulted on, and where they desire participate in the identification of water-related risks. They should be fully informed of:

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

Entity Size and Maturity

- For larger Entities, when calculating withdrawal, usage and discharge volumes, additional details could include:

  o Name and location of water sources, including water service provider (if applicable), water quantities, and ultimate source of the water.
  o Water discharge points, their name, location and quantity, including the destination or ultimate receiving water body.

- The water risk assessment should be commensurate with the size and nature of the Entity. Small Businesses may have relatively minor impacts to water resources but may be highly dependent on the supply and access to water resources (in terms of quality and quantity). In these cases, the 'Area of Influence' becomes more important for small Businesses as their ability to influence is often limited.

Implementation – Risk assessment

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

  o Consider the Entity's ability to influence impacts attributed to Associated Facilities, especially those that exist predominately to support the Entity's activities.
  o The ability to influence depends on the relationship and arrangement between the Entity and the surrounding areas and/or the owners, operators or managers of the Associated Facilities.

For example, impacts (whether direct or indirect) associated with a pipeline or electrical transmission corridor servicing the Entity's Facilities will depend on factors such as when the pipeline or transmission line was constructed and for what purpose, and how many other users there are attributed to the pipeline or the electrical transmission line. This includes the dependency of the Entity on the watersheds required to support its operations and the impacts to the Entities activities from the natural environment.

- o Reasonable boundaries, for instance as by being adjacent, immediate or though some other demonstrable substantive connectivity, should also be defined and assumed in regard to the extent of impacts to and from the watershed in which the Entity operates.
- o Small Businesses would not normally be of the scale to have an Area of Influence beyond the areas of their direct activities and Facilities.

- The water risk assessment could take into account, and be proportional to, the relationship between water use and water availability in the area (water stress index). Water quality, water stress or shared water challenges in catchments may be an important issue in some settings.

Implementation – List or register

An example template of a water map or inventory with example entries for a small foundry Business is shown in **Error! Reference source not found.**.

Implementation – Processes

- If meteorological data are available, consider incorporating evaporation into the water balance, in particular where large process water bodies are present (e.g., Bauxite Residue storage facilities and other open water storage dams).

- When calculating withdrawal, usage and discharge volumes, consider all types (e.g., freshwater, brine, potable, recycled, etc.) and sources (ocean, lakes, rivers, municipal supply, ground water, water treatment plants, etc.) from/to surface or subsurface waters, and sewers and stormwater drains that lead to rivers, oceans, lakes, wetlands, treatment facilities, or ground water. Volumes can be calculated via:

  - o A defined withdrawal or discharge point (point source);
  - o Over land in a dispersed or undefined manner (non-point source);
  - o Water imported and wastewater removed from the organization via road transport.

- Consider adopting a risk-based approach when devising a representative water map (i.e. prioritise water withdrawal identification from sensitive water bodies) Water maps assist in providing a visual representation for all Affected Populations and Organisations and may be particularly useful when engaging with Indigenous Peoples and explaining the water balance concept.
- Differentiation between direct water withdrawal from a catchment area or aquifers and public water systems that are controlled by a utility company is useful when assessing water related risks and opportunities.

Public disclosure

- See 5. Public Disclosure.
- Good practice is reporting in line with [GRI 303 Water and Effluents (2018)](#), Disclosure 303-1: Interactions with water as a shared resource.

External links

- Tools and frameworks on how to identify, assess and address water-related risks:
  - [WWF's Water Risk Filter](#) and WWF's [Contextual Water Targets guide](#)
  - WRI's water risks tool: [Aqueduct](#)
  - [Alliance for Water Stewardship – International Water Stewardship Standard](#)
  - [ISO 14046:2014](#) on Environmental management -- Water footprint -- Principles, requirements and guidelines
  - For Bauxite Mining, the [ICMM Water Stewardship Framework](#), [A practical Guide to Consistent Water Reporting](#) and [Guide to Catchment Based Water Management](#)
  - For hydropower facilities that are within the Area of Influence, the [Hydropower Sustainability Assessment Protocol](#) may be relevant.
  - The [World Resources Institute (WRI) Aqueduct Country and River Basin Rankings](#) have identified and assessed water scarcity risk based on 180 countries and over 100 specific water catchments. Whether the Entity is located in a water-scarce region could provide significant input into assessing water-related risks.

7.2 Water Management

The Entity shall:

a. Implement water management plans, developed in conjunction with Affected Populations and Organisations with time-bound, contextual targets that address Material risks identified in criterion 7.1.

b. Review the plans at least every 5 years.

c. Review the plans on any changes to the Business that alter Material water-related risk(s).

d. Review the plan on any indication of a control gap.

e. Publicly disclose the latest version of the management plans.

Application

This criterion applies to all Facilities.

This criterion is Not Applicable when the risks identified in 7.1(b) are assessed and documented as low.

Affected Populations and Organisation

- Development and implementation of the water management plans should be in consultation with Affected Populations and Organisations.
- Where present, ensure that Affected Populations and Organisations are provided with the opportunity to be consulted on and, where they desire, participate in the management of water-related risks.

- Where Affected Populations and Organisations are Materially affected by the organisation's water use, proactive communication measures regarding water management plans would be appropriate, in addition to the usual communication channels such as annual reports or website.

Implementation – Resources

- Consider how to engage with relevant collaborative initiatives relating to water use in the watershed/s.

Implementation - Processes

- The planning process needs to identify time-bound targets for responsible water management that seek to achieve improvements in water efficiency and, where possible, reduction of water withdrawal and usage.

Further Reading

- Guidance on water management can be found in the Alliance for Water Stewardship – International Water Stewardship Standard.
- Emerging work on context based water targets, that aim to make use of the best available science, are informed by contextual social needs, and align with local and global public policy objectives such as the Sustainable Development Goals. These may also be of interest when developing plans and setting targets.

Auditing

See 6. Regular Review.

8. Biodiversity and Ecosystem Services

> *Principle*
>
> The Entity shall manage its Biodiversity and Ecosystem Services impacts in accordance with the Biodiversity Mitigation Hierarchy to protect ecosystems, habitats and species.

Background

Biodiversity is the variability among living organisms from all sources including, among others, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within species, between species and among ecosystems.

Maintaining biological diversity within ecosystems is vital for their health and functionality. Functioning ecosystems maintain essential services for sustaining life, such as recycling and purification of water and air, soil generation and the pollination of crops. Maintaining biological diversity within populations of species is also important, as it ensures that genetic diversity of a species is preserved. Reducing population sizes and ranges of species distributions – through direct or indirect impacts reduces the genetic diversity and therefore the resilience of species.

The [Convention on Biological Diversity](#) (CBD) sets out the following 12 complementary and interlinked principles for implementing an ecosystem approach:

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

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

90

- Principle 12: The ecosystem approach should involve all relevant sectors of society and scientific disciplines.

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

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

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

Implementation

> ### 8.1 Biodiversity and Ecosystem Services Risk and Impact Assessment
>
> The Entity shall:
>
> a. Assess the risk to and potential impacts on Biodiversity and Ecosystem Services from the land use and activities within the Entity's Area of Influence.
>
> b. In situations where the Entity contributes to, or is likely to impact Ecosystem Services, undertake a systematic review, in Consultation with and, where possible, with the participation of Affected Populations and Organisations, to identify Priority Ecosystem Services that are relevant to Affected Populations and Organisations.

Application

This criterion applies to all Facilities.

Criterion 8.1(b) is Not Applicable when the risks and potential impacts identified in 8.1(a) are assessed and documented as low.

Affected Populations and Organisations

Where Indigenous Peoples are present in or around the Entity's Areas of Influence, they should be active participants in the Biodiversity assessment. Particular attention should be paid to potential impacts on Biodiversity or on Ecosystem Services upon which their livelihoods are dependent. The

[Akwe Kon Guidelines](#) developed under the Convention for Biological Diversity provide guidance on how to take into account traditional knowledge, innovations and practices as part of such assessments.

Note that for a New Project or Major Change to an existing project that has significant Biodiversity impacts for Indigenous Peoples, this may trigger the requirement for a Free Prior and Informed Consent (FPIC) process as set out in criterion 9.4.

Entity Size and Maturity

In most instances, small Businesses would not normally be of the scale to have an Area of Influence beyond the areas of their direct activities and Facilities.

Implementation – Risk asssessment

For those Entities situated in areas that may be considered as having a low Biodiversity value (such as a fabrication plant located within an industrial zone, or situated in a region that has been heavily disturbed or modified from long-term land use activities) the Biodiversity risk assessment process could incorporate the following:

- Identification of the Entity's Area of Influence.
- Identification of Biodiversity features present, or likely to be present within the Entity's Area of Influence. Features can include all habitats (natural and constructed), species or ecological communities and Priority Ecosystem Services, as well as sites of conservation importance.
- Review of local Applicable Law relating to Biodiversity protection and conservation to determine if any Biodiversity feature is deemed as significant. This review could also involve the consultation of the [IUCN's Red List of Threatened Species](#).
- Identification of potential impacts (if any) to these features resulting from the activities of the Entity.
- An overall assessment of inherent risk to identified Biodiversity features from these risks (using the Entity's preferred risk assessment methodology). This methodology can be consistent with that used by the Entity for other risk assessment requirements (i.e., environment, health & safety, financial etc.), or using one of the recommended tools as described in this Guidance.

The risk assessment needs to evaluate and define potential risks to Biodiversity and Ecosystem Services that require the development of controls and actions to protect threatened species, and their habitat, ecological processes and function, and mitigate any impacts to Biodiversity and Ecosystem Service values.

When undertaking a risk assessment, consider parameters such as physical, chemical and biological stressors, such as sound waves and vibrations. An example of stressor would be sound waves emitted by the Entity's activities, which includes audible sound waves, infrasonic waves (below 20 Hz) and ultrasonic waves (above 20,000 Hz). For example, audible sound waves generated by blasting and movement of heavy machinery and transport can cause serious disturbance to local

communities and wildlife. Similarly, ultrasonic sound waves from vehicles can impede some bat species'high-frequency echo-location calls, which they use to find insect prey such as moths.

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

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

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

Biodiversity risk assessments can be carried out for new and existing Facilities, and could be considered as a preliminary screening activity, before a more detailed Biodiversity impact assessment is undertaken prior to the commencement of any pre-feasibility activity. If a Biodiversity risk assessment has not previously been carried out, it needs to be done to meet this criterion. Where a Biodiversity risk assessment is newly carried out for a Facility that has been in operation for some time, it is acknowledged that controls to mitigate impacts need to factor previous design decisions, and opportunities for change may be limited in some situations.

In undertaking an impact assessment, the Entity could also consider its ability to influence impacts attributed to Associated Facilities, especially those that exist predominately to support its own activities. The ability to influence depends on the relationship and arrangement between the Entity and the surrounding areas and/or the owners, operators or managers of the Associated Facilities.

For example, impacts (whether direct or indirect) associated with a pipeline, conveyor belt or electrical transmission corridor servicing the Entity's Facilities will depend on factors such as when it was constructed and for what purpose, and how many other users there are attributed to it. This includes the dependency of the Entity on the Watersheds required to support its operations and the impacts to the Entities activities from the natural environment.

Reasonable boundaries, for instance as by being adjacent, immediate or though some other demonstrable substantive connectivity, could also be defined and assumed in regard to the extent of impacts to and from the Watershed and airshed in which the Entity operates.

Where more detailed, and broader Impact Assessments (see Criteria 2.5 and 2.6) are being undertaken, these should provide more detailed research to identify and assess risks and impacts to Areas of High Biodiversity Value. This may require extensive fieldwork in areas with limited Biodiversity information. Issues such as impacts of noise on affected species (such as bats), or effects of in-migration on Biodiversity (such as development of a trade in 'bushmeat' or endangered species) should be considered where relevant.

Undertaking a detailed Biodiversity impact assessment prior to the commencement of any construction activities will enable for the appropriate development and implementation of any mitigation measures. It will also provide opportunity for the project planning process to revise construction management plans, mine planning processes or any other proposed activities that have the potential to directly impact Biodiversity features and Ecosystem Services.

Implementation – List or Register

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

External Links

International Finance Corporation (IFC) Performance Standard 6 and Guidance Note 6 on 'Biodiversity Conservation and Sustainable Management of Living Natural Resources'. Further IFC Biodiversity risk assessment information can be found in this document on Biodiversity Business Risks published by the IFC.

The IUCN publication Tools for Measuring, Modelling, and Valuing Ecosystem Services provides guidance for practitioners on Ecosystem Services related to key Biodiversity areas, natural World Heritage Properties, Indigenous Peoples and community conserved areas, and Protected Areas among others.

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

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

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

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

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

Further Reading

For more information on IBAT (Integrated Biodiversity Assessment Tool), consult the ASI educationAl webinar, "[Accessing and interpreting Biodiversity information](#)".

8.2 Biodiversity Management

The Entity shall:

a. Implement 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 designed by a Qualified Specialist, in accordance with the Biodiversity Mitigation Hierarchy and with an ambition to achieve no net loss.

c. Ensure that the Biodiversity Action Plan is developed in Consultation with and, where possible, with the participation of Affected Populations and Organisations.

d. Review the Biodiversity Action Plan and associated targets at least every 5 years.

e. Review the Biodiversity Action Plan and associated targets on any changes to the Business that alter Material Biodiversity risk(s) or where assessment indicates changes to risk.

f. Review the Biodiversity Action plan and associated targets on any indication of a control gap.

g. Publicly disclose the latest version of the Biodiversity Action Plan and associated targets and share with Affected Populations and Organisations.

Application

This criterion applies to all Facilities.

This criterion is Not Applicable when the risks and potential impacts identified in 8.1(a) are assessed and documented as low.

Background

The Biodiversity Mitigation Hierarchy consists of a hierarchy of categories of Biodiversity mitigation measures, as follows, in descending order of priority:

- Avoid impacts by designing or modifying an existing or proposed operation in order to prevent a potential Biodiversity impact. For example, where feasible, this could include not proceeding with project development as proposed, or perhaps relocating the project to already degraded areas. Avoidance should be considered before project design as avoiding impacts before they occur is the most effective way of reducing loss of Biodiversity (prevention is better than cure). This step should be applied to exploration, construction, operational and closure activities. Avoidance should always be the priority and is the cheapest and most effective way of reducing impacts.
- Minimise impacts by substituting existing decisions or activities with alternatives that are designed to reduce or limit the undesirable impacts of a proposed activity on Biodiversity. This step should be applied to exploration, construction, operational and closure activities and can be achieved spatially (e.g., wildlife corridors) or temporally (e.g., test-drilling outside a breeding season)
- Rehabilitate or restore the affected environment. This should at minimum be a part of planning for closure, particularly for mining operations. Opportunities for progressive mine site Rehabilitation during active Bauxite Mining operations should also be explored, as it can bring important Biodiversity benefits (See also criterion 8.7). A precautionary approach to ecological restoration should be applied, particularly when predicting restoration success as part of residual impact estimates
- Offset the Biodiversity impact by implementing measures to compensate for affected Biodiversity values. The compensatory measure may include a combination of direct offsets, such as actions or resources that provide a commensurate conservation value and other compensatory measures such as research grants or education scholarships. Wherever possible, offset gains should be achieved before impacts occur. If offset gains may take time to achieve, offsets should be initiated with dedicated financing before impacts occur. The IUCN Policy on Biodiversity Offsets provides for reference, a framework to guide the design, implementation and governance of Biodiversity offset schemes and projects. The Business and Biodiversity Offsets Programme provides further detail and guidance (the BBOP Standard informed development of International Finance Corporation Performance Standard 6 Biodiversity Management). Offsets should only be considered as a last resort after the three earlier stages of the mitigation hierarchy have been applied. They are often difficult to manage and require long-term investment (unlike avoidance and minimisation).

Additional conservation actions are a broad range of activities which are intended to benefit Biodiversity, where the effects or outcomes can be difficult to quantify. These qualitative outcomes do not fit into the Biodiversity Mitigation Hierarchy (as discussed above) but may provide crucial support to mitigation actions. For example, awareness activities may encourage changes in government policy that are necessary for implementation of novel mitigation, research on

threatened species may be essential to designing effective minimisation measures, or capacity building might be necessary for Affected Populations and Organisations to engage with Biodiversity offset implementation.

'No net loss' is a term used to define the situation where impacts on Biodiversity are balanced by measures taken to avoid and minimize the impacts, implement site restoration and finally to offset significant residual impacts, if any, on an appropriate geographic scale. Biodiversity benefits could include:

- Improving existing or creating new habitats for species impacted by the Entity's activities, or ecological communities;
- Reducing threats to species, their habitat and ecological communities;
- Averting the loss of a species or its habitat by securing its future use for conservation purposes;
- Offsetting the partial loss of a species, its habitat and/or ecological community in a particular area, through the enhancement of these features in a different area.

Affected Populations and Organisations

Entity may consider how to integrate an effective Consultative process with Affected Populations and Organisations in the development, implementation and/or review of Biodiversity Action Plans.

Implementation

Biodiversity targets for no net loss are only appropriate for New Projects and Major Changes, given that these are situations where baseline Biodiversity impacts can be defined.

Information on timelines to achieve Biodiversity targets (including 'no net loss') can be found in International Finance Corporation (IFC):

o Performance Standard 1 Assessment and Management of Environmental and Social Risks and Impacts (2012) Paragraph 6: *"application of the EHS Guidelines to existing facilities may involve the establishment of site-specific targets with an appropriate timetable for achieving them."*
o Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012)
o Paragraph 17 (+ footnote 14): *"The timeframe in which clients must demonstrate "no net reduction" of Critically Endangered and Endangered species will be determined on a case-by-case basis in consultation with external experts".*
o Guidance Note 6 (2019 update), GN88: *"The third bullet of paragraph 17 of Performance Standard 6 also uses the terminology "over a reasonable period of time." This concerns the question of when the client is expected to be able to demonstrate no net reduction. The timeframe is inherently case-specific and should consider the species' reproductive cycle, lifespan, and any other variables that may determine its ability to recover successfully from project impacts. The acceptable reduction in population should not be interpreted as the survival of every individual on-site. Although this might be the case in some situations, for example for CR species nearing extinction in the wild, no net reduction is based on the species "ability to persist at the global*

and/or regional/national scales for many generations or over a long period of time" (footnote 13 of Performance Standard 6)."

- In the light of a developing UN Convention on Biological Diversity (CBD) post-2020 DRAFT Global Biodiversity Framework (as of April 2022) alternatives to no net loss relative to project baselines are emerging, including absolute, jurisdictionally aligned target-based requirements (ecological compensation) for mitigation outcomes (Simmonds *et al*, 2019). While an ambition to achieve no net loss under Biodiversity Action Plans is the focus for New Projects and Major Changes, Entities are not limited to this framework when planning to mitigate Biodiversity impacts and to deliver Biodiversity benefits.

The Biodiversity Action Plan could include specific details on the following:

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

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

Implementation - Resources

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

Biodiversity Action Plans that include a budget early in a project's conception or construction are more likely to achieve their stated outcomes. If mitigation budgets are derived from operational budgets, then outcomes are generally poor as cost-cutting to improve efficiency tends to target non-technical components such as Biodiversity. Similarly, if a project is sold, then Biodiversity commitments and budgets are likely to be of lower priority.

Consider how to integrate Biodiversity Action Plans for new and existing Facilities.

Implementation - Risk assessment

For New Projects or Major Changes, Materiality would usually be determined via an Impact Assessment. Any legally Protected Areas with Biodiversity value would be a Material consideration. Even developed or industrialised areas may include Material Biodiversity risks, for example to particular species. For existing operations, consider Materiality in both the context of risks and opportunities for Biodiversity. This could focus on not just ecosystem considerations, but also regulatory, financial, reputational, or other Affected Populations and Organisations considerations for the company. For example, there may be opportunities to contribute to the UN Sustainable Development Goals through broader action in and beyond the Area of Influence.

Implementation - Management systems

An Entity may be able to demonstrate an ambition to achieve no net loss through the incorporation of long-term conservation and rehabilitation objectives into its business framework and management system(s). This could be undertaken via the development and implementation of a variety of initiatives and programs which may include (but not limited to) baseline establishment, ongoing monitoring programs, research and development activities, progressive rehabilitation programmes and additional conservation measures (including ongoing external stakeholder engagement).

Implementation - Communication

An Entity should be able to demonstrate an understanding and incorporation of the Biodiversity Mitigation Hierarchy into its initiatives and programs, including training of and communication with Workers.

Review

Monitor implementation and effectiveness of the plan. Regular reviews of Biodiversity Action Plans will enable them to be updated in light of new information on Biodiversity risks and an evaluation of progress on desired targets and outcomes.

Regular reporting on outcomes from Biodiversity Action Plans can be shared through annual reporting and on the company website.

Smaller companies can choose to provide information on Biodiversity outcomes on request.

External links

A [Cross-Sector Guide for Implementing the Mitigation Hierarchy](from the cross Sector Biodiversity Initiative) provides practical guidance, approaches and examples to support operationalizing the mitigation hierarchy effectively.

The [Species Thread Abatement and Restoration](is a metric that documents the contribution of specific conservation and restoration actions in specific places. It helps identify actions that have the

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

99

potential to bring benefits for threatened species and supports the establishment of science-based targets for species Biodiversity.

COMBO's Critical Ecosystem Areas metric, which informs mitigation actions by industry and investors for addressing Biodiversity risk.

Initiatives are underway to address the complexities of measurements and reporting of Biodiversity. They are linked to the evolving Global Biodiversity Framework and include the [Science-based Targets Network (SBTN),](#) or the [Taskforce for Nature-related Financial Disclosure](#).

The [IUCN Guidelines for Planning and Monitoring Corporate Biodiversity Performance](#) (2020) provides guidance for the reporting of Biodiversity performance, through a series of simple, practical steps to plan Biodiversity goals, choose and apply appropriate Biodiversity indicators, and to collect, present, and analyse data in a way that facilitates results-based management and corporate Biodiversity reporting.

The [IUCN Commission on Ecosystem management Thematic Group (IMEC)](#) provides guidance on leading practice application of the Biodiversity Mitigation Hierarchy and alignment of impact mitigation and ecological compensation with Biodiversity targets

Auditing

See Introduction Section 6. Regular Review.

8.3 Management of Priority Ecosystem Services

The Entity shall:

a. Where an Entity depends on Priority Ecosystem Services, implement measures that increase the resource efficiency of operations.

Where Priority Ecosystem Services of relevance to Affected Populations and Organisations are identified through criterion 8.1, and the source of impacts are:

b. under the Entity's direct management Control, use the Biodiversity Mitigation Hierarchy to maintain access to and the value and functionality of such Ecosystem Services.

c. not under the Entity's direct management Control, work with other parties or within their scope of influence to mitigate impacts on Priority Ecosystem Services.

Application

This criterion applies to all Facilities.

This criterion is Not Applicable when no Priority Ecosystem Services are identified in 8.1(b).

Background

Priority Ecosystem Services are two-fold:

- Those services on which operations are most likely to have an impact and, therefore, which result in impacts to Affected Populations and Organisations, and/or
- Those services on which the Entity is directly dependent for its operations (e.g., water).

Ecosystem Services are provided at local, regional and global scales. Water provision from natural areas is an example of a regional Ecosystem Service, whilst a local insect population and its pollination activity would be considered as a local Ecosystem Service. Determination of these local Ecosystem Services would typically require consultation with Affected Populations and Organisations.

Implementation

Documentation of the measures implemented to maintain access to and the value and functionality of Priority Ecosystem Services (using the Biodiversity Mitigation Hierarchy) or to mitigate impacts to Priority Ecosystem Services will usually form part of the Entity's Biodiversity Action Plan under criterion 8.2.

Implementation - Risk assessment

Assessment of risks and impacts to Biodiversity and Ecosystem Services should link back to the ESIA requirements (2.5) as well as 7.1 for water stewardship.

Further reading

Further guidance can be found in [International Finance Corporation's Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources](#).

8.4 Alien Species

- The Entity shall proactively prevent accidental or deliberate introduction of Alien Species that could have Material impacts on Biodiversity and Ecosystem Services.

Application

This criterion applies to all Facilities.

Implementation – Risk assessment

Assess the risks and put in place controls for the accidental introduction of Alien Species through the Entity's activities and operations. Entity may consider the following potential vectors and pathways:

- Transport: ships can carry aquatic organisms in their ballast water; trucks can carry weeds through sediment on tyres (Further information: [International Maritime Organization (IMO) Ballast Water Management](#)).
- Wood products: insects can get into wood, shipping palettes, crates and packing material that are shipped around the world.
- Ornamental plants: some ornamental plants in gardens can escape into the wild and become invasive.

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

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

Further reading

Alien Species can be evaluated using the [Global Invasive Species Database](#) (GISD), as well as local and national databases where available. The GISD focuses on invasive Alien Species that threaten native Biodiversity and natural ecosystems and covers all taxonomic groups from micro-organisms

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to animals and plants in all ecosystems. The consultation of local and national databases is preferable (wherever available), as they are likely to be more accurate and up-to-date, and provide locally developed mitigation actions and plans for specific species of concern.

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.

Application

This criterion applies to all Facilities.

Background

This criterion aligns with the [ICMM Mining and Protected Areas Position Statement (2003)](#).

Implementation – Risk assessment

For New Projects and Major Changes, the Entity should consider conducting an Impact Assessment (as per criterion 2.5 – Environmental and Social Impact Assessment) and establishing controls to ensure activities will not negatively impact on World Heritage Properties.

Implementation - Policies

The Entity should consider developing Policy documentation that prohibits exploration or development of New Projects in World Heritage Properties. Facilities may have been in operation before World Heritage status has been designated. In other cases, current or future operations may be located adjacent to World Heritage Properties.

Implementation – List and registers

In addition to properties on the [World Heritage List](#), the Entity should consider undertaking a review of properties on [Tentative Lists](#) and [World Heritage List Nominations](#) to confirm whether any existing or planned activities are in or adjacent to potential World Heritage Properties.

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, where possible, with the participation of 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 areas identified in 8.6a were designated for protection and/or the declarations of Indigenous Peoples.

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 is conducted by an external Qualified Specialist(s), shared with Affected Populations and Organisations, publicly disclosed and updated as required, that addresses the presence of, and potential impacts on the values of, Protected Areas.

  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.

Application

This criterion applies to all Facilities, both existing and new operations.

Background

All parties to the CBD have agreed to report their Protected Areas to the World Database on Protected Areas (WDPA). The Standards for the WDPA are defined by the IUCN. The WDPA references the fact that both the CBD and IUCN definitions are considered as equivalent in defining Protected Areas. Consideration should also be given to the Guidance provided for the Commitment to "No Go" in World Heritage Properties (see criterion 8.5).

The WDPA uses nationally defined protected area data which meet the IUCN CBD definition. There is agreement between the CBD Secretariat and IUCN that both definitions have the same meaning (*Lopoukhine and Dias 2012*). Although records should not be submitted to the WDPA if they do not

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   104
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

meet the IUCN or CBD definition of a Protected Area, it cannot be guaranteed that data-providers consistently follow this standard. In part, this is because countries often have national definitions of Protected Areas that may not fully align with the IUCN or CBD definition. It should therefore not be assumed that all records in the WDPA meet the IUCN or CBD definition. However, the majority of these properties are reviewed via discussions with data providers periodically via data updates and tend to be removed before being entered into the WDPA.

Exploration or mining includes the presence or establishment of Associated Facilities.

Implementation

Examples of circumstances under which exploration or mining might occur within Protected Areas and where the exceptional conditions (i-iii) would need to be satisfied include:

- Where an existing license legally requires that the full resources be extracted by the Entity;
- Where an existing permit, if not fulfilled by the Entity, will be given to another company, with potentially increased risk to the values of the Protected Area.

Most Protected Areas can be identified through the [Integrated Biodiversity Assessment Tool](#) (IBAT) IBAT maintains a directory of Protected Areas across over 150 different countries and territories. ASI regularly liaises with IBAT to assist in the maintenance of a list of which countries are limited in their reporting. Through IBAT, the following is accessible:

- The World Database on Protected Areas (WDPA). WDPA provides access to Protected Areas based on each area's:

  o IUCN Management Category;
  o Governance;
  o Designation (this category includes National, Natura2000, Regional Seas, Ramsar, World Heritage, MAB).

- The World Database of Key Biodiversity Areas;
- The IUCN Red List of Threatened Species.

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

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

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

Implementation - Risk assessment

Any independent third-party assessment of potential impacts of a Facility on a Protected Area must be conducted by an independent Qualified Specialist. If there is the presence of critically endangered, endangered or vulnerable species, recognized species specialists should be involved (for example, including individuals from IUCN Species Survival Commission Specialist Groups). IUCN's World Commission on Protected Areas (WCPA) is the world's leading network of Protected Area expertise, with over 2,500 members, spanning 140 countries. The WCPA can provide independent assessments as required.

Implementation – Management systems

Management plans that ensure the Entity's activities and Facilities do not adversely impact a Protected Area's special values may be integrated with the Management Systems articulated in Criteria 8.1, 8.2 and 8.3.

The management plan will usually follow a risk-based approach, such that where no Protected Areas have been identified (under criterion 8.6a), no action is required. However, the plan could include a process to identify changes to Protected Areas status or geographies.

Implementation of the management plan should lower the risk of adverse impacts.

The management plan may be a legal requirement (under criterion 8.6b), in which case criterion 8.6d (disclosure to Affected Populations and Organisations) still applies.

8.7 Mine Rehabilitation

The Entity shall:

a. Implement and maintain a Mine Rehabilitation and closure plan.

b. Review the Mine Rehabilitation and closure plan at least every 5 years.

c. Review the Mine Rehabilitation and closure plan on any changes to the Business that alter Material environmental, social and governance risk(s).

d. Review the Mine Rehabilitation and closure plan on any indication of a control gap.

e. Ensure the Mine Rehabilitation and closure plan is developed in Consultation with and, where possible, with the participation of Affected Populations and Organisations and designed by a Qualified Specialist.

f. Publicly disclose the latest version of the Mine Rehabilitation and closure plan.

g. Progressively Rehabilitate environments disturbed or occupied by Bauxite Mining activities, as soon as practicable.

h. Put in place financial provisions to ensure availability of adequate resources to meet Rehabilitation and mine closure requirements.

i. 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.

Application

This criterion applies to Bauxite Mining Facilities.

Background

Rehabilitation refers to the measures undertaken to return land on which mining has taken place to the agreed post-closure uses.

- In some jurisdictions, the legal requirement is for restoration of the pre-mining land use.
- In others, the end uses of the land are open to a process of negotiation, either with the regulatory authorities and/or with a broader set of Affected Populations and Organisations.
- In areas with significant Biodiversity values, the aspiration should be to restore land use for mining to a future use that reinstates significant Biodiversity values as practically as possible, supported by regulatory authorities and Affected Populations and Organisations. Ensure that the Mine Rehabilitation and closure plan integrates the Biodiversity Action Plan where relevant.

Affected Populations and Organisation

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   107
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

Annual reporting does not replace regular (periodic, as agreed) engagement with Affected Populations and Organisations on the implementation of Mine Rehabilitation and closure plans against agreed key metrics.

Implementation – Processes

In those jurisdictions where Applicable Law and/or legislative enforcement is not commensurate with less than generally accepted practices, international standards should be used as the consultative framework. Best practice techniques for Mine Rehabilitation and closure include:

- Progressive Rehabilitation, wherever possible, as individual mined areas or sites have completed mining activity or are decommissioned and are no longer operational.
- Post-mining land use conditions similar to what existed before or alternative as agreed with the applicable government regulator and Affected Populations and Organisations.
- Consideration of environmental and socio-economic impacts in relation to a particular area in which an operation is located following the mine closure.
- Performance results for post-mined areas and sites should be monitored and incorporated into regular reviews of the Mine Rehabilitation and closure plan.

Achievable objectives and targets are essential to give the operation a framework on which to base its Rehabilitation program. Entity may consider the following:

- Relevant Applicable Law;
- Participation of key Affected Populations and Organisations in planning process
- Indigenous Peoples' rights and interests;
- Biodiversity information;
- Technical limitations;
- Pre-mining land uses and the extent of Biodiversity degradation;
- Whether mitigation or enhancement is intended;
- Post-mining land tenure and land uses;
- Integration into whole-of-lease Biodiversity management;
- Residual impacts from infrastructure, subsidence, and post-mining land use/s;
- Minimising secondary impacts;
- Other opportunities for Biodiversity improvement.

Best available techniques include measures that start at the commencement of a mine's lifecycle through design, development, operation, closure and where relevant, lease relinquishment. The best technique may be the most appropriate way of carrying out Rehabilitation and closure activities for a given location. At a minimum, leading practice techniques should comply with Applicable Law.

Financial provisions should as a minimum be in accordance with Applicable Law. In the absence of such laws, provisions may be reflected in the corporate accounts, or in the form of bonds, letters of credits, or other financial instruments, or by self-insurance or self-guarantee. Financial mechanisms managed by a Third Party may be appropriate, particularly post-closure.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

108

- 'Financial provisions' does not have a prescriptive legal or accounting meaning. The key objective is that a company has the necessary resources, reflected in some way in their corporate accounts, to meet their liabilities for closure.
- Cost estimates for Rehabilitation should be initiated as early as possible and updated regularly. Unless otherwise stipulated by Applicable Law, closure costs should be based on reasonable estimates of actual costs taking into account local conditions and cost structures. Rehabilitation and closure cost estimates should involve probabilistic and/or deterministic estimation techniques to suit the identified risks and associated controls.
- For Bauxite Mining, Rehabilitation is usually done progressively, which means that relevant resources begin to be spent during the operational life. Rehabilitation and closure cost estimates should thus be regularly updated taking into account progressive Rehabilitation approaches.

Auditing

See Introduction Section 6. Regular Review.

Further reading

The following websites and references have further information on Mine Rehabilitation and closure:

- Global Industry Standard on Tailings Management, International Council on Mining & Metals (2020).
- Sustainable Bauxite Mining Report, International Aluminium Institute (2008).

C. Social

9. Human Rights

Principle

The Entity shall respect and support individual and collective Human Rights affected by its operations. The Entity shall take appropriate action to assess, prevent and remedy potential and actual impacts on Human Rights in a manner that is consistent with international instruments on Human Rights.

Background

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

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

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

In 2011, the United Nations (UN) released the Guiding Principles on Business and Human Rights, which set out a "Protect, Respect and Remedy" framework:

- States' duty to **protect** against Human Rights abuses by third parties, including Business, through appropriate Policies, regulation and adjudication
- Business's responsibility to **respect** Human Rights, which means to act with Due Diligence to avoid infringing on the rights of others and to address impacts that are linked with their activities
- Access by victims to effective **remedy**, both judicial and non-judicial.

In 2022, the UN Global Compact launched its Business & Human Rights Navigator. This resource provides users with guidance from experts and analysis of key human rights issues, due diligence recommendations, as well as case studies illustrating how other organisations have responsibly addressed their human rights impacts.

The [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) is a detailed framework for responsible supply chain management of minerals from conflict-affected areas. Its objective is to help companies respect Human Rights and avoid contributing to conflict through their mineral sourcing practices, with the Guidance initially designed to address 'conflict minerals' and associated Human rights impacts in the Democratic Republic of Congo.

The OECD Guidance includes the OECD Council recommendation, an overarching five-step Due Diligence framework, a model mineral supply chain Policy, suggested measures for risk mitigation and indicators for measuring improvement. It also includes two Supplements – a Tin, Tantalum and Tungsten Supplement (3Ts) and a Gold Supplement – tailored to the challenges associated with the structures of the supply chains of those minerals. The third edition of the OECD Guidance was published in April 2016, with the principal update to clarify that the OECD Guidance should now be considered to apply not only to the supply chains of tin, tantalum, tungsten and gold (3TG) covered in the Supplements, but to all minerals.

In October 2019, the London Metal Exchange (LME) introduced new [responsible sourcing requirements](#), underpinned by the OECD Guidance, that apply to its listed brands. The LME's new rules will apply to all brands listed for good delivery on the LME against physically settled contracts for Aluminium (LME Aluminium, LME Aluminium Alloy, and North American Special Aluminium Alloy Contract ("NASAAC"), as well as other LME metals: cobalt, copper, lead, nickel, tin and zinc. ASI committed to further align its Standards with the OECD Guidance to support implementation of LME's rules, and to be independently assessed for alignment via an OECD assessment tool.

With the increased application of the OECD Guidance beyond the initially designated 'conflict minerals' (3TG), enhanced alignment of ASI Certification with the OECD framework supports not only LME listed brands, but also other ASI Members to meet stakeholder expectations on mineral supply chain Due Diligence. ASI's approach is anchored in the overarching OECD five-step framework, with additional guidance and supporting definitions drawn from the Gold and 3Ts Supplements, as appropriate, and from other implementing programs for the supply chains of gold and non-3TG minerals, in particular those of the Responsible Jewellery Council.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

111

Implementation

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 gender-responsive Policy commitment to respect Human Rights, with:

   I. Review of the Policy commitment at least every 5 years.
   II. Review of the Policy commitment on any changes to the Business that alter Material Human Rights risk(s).
   III. Review of the Policy commitment on any indication of a control gap.
   IV. Public disclosure of the latest version of the Policy commitment.

b. A gender-responsive Human Rights Due Diligence process that is developed in Consultation with and, where possible, with the participation of Affected Populations and Organisations, 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, with:

   I. Review of the Human Rights Due Diligence process at least every 5 years.
   II. Review of the Human Rights Due Diligence process after any changes to the Business that alter Material Human Rights risk(s).
   III. Review of the Human Rights Due Diligence process on any indication of a control gap.

c. A mapping of Affected Populations and Organisations to ensure Affected Populations and Organisations are:

   I. Engaged by the Entity
   II. Consulted about operational activities and potential significant Human Rights impacts and informed of the operation's Complaints Resolution Mechanism.

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

Application

The criterion applies to all Facilities.

Where Indigenous Peoples are involved, FPIC (Criterion 9.4) will apply.

Background

The UN Guiding Principles on Business and Human Rights have become the primary reference for the private sector's responsibility to respect Human Rights. The Guiding Principles define respecting Human Rights as:

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

112

- o Avoid causing or contributing to (e.g., causing in part) adverse Human Rights impacts through your own activities, and address such impacts where they occur.
- o Seeking to prevent or mitigate adverse Human Rights impacts that are directly linked to your operations, Products or services by your Business relationships, even if you have not contributed to those impacts.

Implementation

Human Rights Due Diligence:

- Covers adverse Human Rights impacts that your Entity may cause or contribute to through your own activities.
- Should seek to address adverse Human Rights impacts which may be directly linked to your operations, Products, or services by your Business relationships.
- Will vary in complexity with the size of your Business, the risk of severe Human Rights impacts, and the nature and context of your operations.
- Is regularly updated, for example when starting a new activity or Business relationship, recognising that Human Rights risks may change over time.
- Focuses on the most severe Human Rights risk areas, based on scale, scope and irremediable character. These could include (but may not be restricted to): health and safety, security and Human Rights issues, Human Trafficking and Forced Labour, Freedom of Association, Discrimination, Migrant Worker status and gender equity, working hours, or Indigenous Peoples.

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 that 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 in the Gender Dimensions of the UNGPs. 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.

Implementation – Risk assessment

It might not be feasible or practical to assess every single supply chain risk or the Human Rights record of every organisation with which you have a relationship. Where it is necessary to prioritise, try to prevent and mitigate the most severe risk/s.

Look at region, types of production or service processes, Worker demographics etc. to help with prioritisation.
Consider whether your purchasing practices might impact your suppliers, for example by setting lead times, pricing or seasonality of orders. If some action of yours forces a business partner to cause an adverse impact, you have "contributed" to that impact.
However, simply having a business relationship with an organisation does not mean you have "contributed" to any or all impacts that they may cause. If you find you are at risk of involvement in an adverse impact solely because it is linked to you via business relationship, you do not have

responsibility for the impact itself: that responsibility lies with the organisation that caused or contributed to it. Your business relationship may, however, create leverage that you can potentially use to seek to prevent or mitigate future impacts.

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

Implementation - Policies

A Policy commitment to respect Human Rights can be a stand-alone Policy or integrated in the approach taken for criterion 2.1 on Environmental, Social and Governance Policy. It should be informed by internal and/or external expertise, where appropriate.

Implementation - Processes

Where the company has caused or contributed to an adverse Human Rights impact, a remediation process should be established, based on the severity of the identified impact.

Develop a time-bound remediation plan developed through consultation with the affected Rightsholders, including any Vulnerable or At-Risk groups.

Forms of remediation include acknowledgement and apology, undertaking steps to ensure the harm cannot recur, compensation (financial or other) for the harm, ceasing the activity or relationship, or some other form of remedy agreed by the parties.

Where Indigenous Peoples are present, the Entity should ensure that remediation mechanisms and measures are culturally appropriate and consistent with FPIC principles (see criterion 9.4). This may include acts to remedy harm through traditional means under Indigenous Peoples' customary activities.

Effective Complaints Resolution Mechanisms enable any party to raise concerns about adverse Human Rights impacts and have these addressed early and remediated directly. See also criterion 3.4 on Stakeholder Complaints, Grievances and Requests for Information which sets out requirements and guidance for company-level or operational-level complaints mechanisms. ASI also operates a **Complaints Mechanism**, and more information is available on the ASI website.

Implementation - Management Systems

The Human Rights Due Diligence process that is articulated in the Guiding Principles is based on largely familiar risk management practices often used in Business. However, its application to Human Rights and business relationships usually takes time to implement in companies. ASI Members and Auditors should take into account the need for systems to be established and evolved over successive years as part of a continual improvement process. Key points to note include:

- While risk Management Systems usually focus on identifying and managing Material risks to the company itself, Human Rights Due Diligence must also assess risks and impacts to Rightsholders.

- 'Human Rights risks' are understood to be potential adverse Human Rights impacts, which should be addressed through prevention or mitigation. Actual impacts are those that have already occurred and should be subject to remediation.

Implementation - Communication

In situations where Consultation is not possible, business enterprises should consider reasonable alternatives such as consulting credible, independent expert resources, including Human Rights defenders and others from civil society.

Entities are expected to err on the side of direct communication. Situations where it may not be possible to directly Consult with Affected Populations and Organisations would be where, for instance, there is a threat to life if Consultations were to occur. 'Not economically viable' is not considered a reasonable rationale for not Consulting directly with Affected Populations and Organisations.

Review

See Introduction Section 6. Regular Review for Guidance on auditing sub-Criteria related to review.

Public Disclosure

Good practice is reporting in line with GRI 3: Material Topics 2021; GRI 412: Human Rights Assessment 2016; GRI 413: Local Communities 2016.

Auditing

The Human Rights Due Diligence process that is articulated in the Guiding Principles is based on largely familiar risk management practices often used in Business. However, its application to Human Rights and business relationships usually takes time to implement in companies. ASI Members and Auditors should take into account the need for systems to be established and evolved over successive years as part of a continual improvement process. Key points to note include:

- While risk Management Systems usually focus on identifying and managing Material risks to the company itself, Human Rights Due Diligence must also assess risks and impacts to Affected Populations and Organisations.

'Human Rights risks' are understood to be potential adverse Human Rights impacts, which should be addressed through prevention or mitigation. Actual impacts are those that have already occurred and should be subject to remediation.

External links

For more information on exercising Human Rights Due Diligence, consult the ASI educationAl learning module ''Human Rights Due Diligence'' and the ASI educationAl webinar, ''Human Rights Due Diligence''.

Further reading

For further guidance on conducting Human Rights Due Diligence, consult available references including:

o   the UN Guiding Principles on Business and Human Rights (2011) and its accompanying guide The Corporate Responsibility to Respect Human Rights: An Interpretive Guide (2012),

o   the Human Rights Compliance Assessment Tool of the Danish Institute for Human Rights (2014),

o   the UN Global Compact Navigating the Future of Business and Human Rights: Good Practice Examples,

o   the European Union's Due Diligence Toolbox for SMEs and

o   the BSR Framework for Conducting Gender Responsive Due Diligence in Supply Chains.

9.2 Gender Equity and Women's Empowerment

The Entity shall:

a.   Implement a program which promotes gender equity and women's empowerment in:

    I.   employment practices;
    II.   training opportunities;
    III. awarding of contracts;
    IV.   processes of engagement;
    V.   management activities;
    and, at a minimum, addresses barriers to professional development, Discrimination, Violence and Harassment.

b.   Review the program at least every 5 years.

c.   Review the program after any changes to the Business that alter Material gender equity risk(s).

d.   Review the program on any indication of a control gap.

e.   Publicly disclose the effectiveness of the measures taken to promote gender equity on an annual basis.

Application

The criterion applies to all Facilities.

Background

- Gender equity is not only a fundamental Human Right, but a necessary foundation for a sustainable world. Data shows that operations with more women in decision-making roles and positions of power see lower accident rates, higher Worker satisfaction and better economic

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

116

returns. To reap these benefits, operators need to evaluate their workforce gender equity data and then work to close gender gaps in the workplace.

- "Women" is a term rooted in self-identification rather than reproductive anatomy. The Standard expects women, men and individuals who reject binary gender categorizations receive equal protections and opportunities by the Entity.
- Harassment is sexual, physical or verbal Harassment or any other types of activity which create an intimidating, hostile or offensive work environment.

Implementation

- When developing a program that promotes gender equity and women's empowerment some points to consider include:

  o Conducting a gender audit of your organisation.
  o Ensuring all Workers are paid directly and using mutually agreed methods (e.g., direct bank transfer, direct payments for school fees, etc.) to ensure they safely receive and retain their wages. Developing alternate payment methods to ensure safety of women Workers, such as direct payments for school fees.
  o Ensuring paternity leave is available and there is no penalty for taking it. Men should be encouraged to take paternity leave.
  o Providing flexible working Policies and practices for parents such as flexible hours, job-sharing and homeworking around school times.
  o Providing alternate assignments without wage reduction when pregnancy requires a less physically demanding job assignment.
  o Ensuring that pregnant and nursing women do not perform work that may compromise the health of the mother or the child. This includes working during night hours.
  o Providing facilities for pregnant and breast-feeding women and day care facilities for pre-school age children
  o Appointing a committee that is responsible for the implementation, monitoring, and evaluation of measures that promote gender equity and women's empowerment. Management can choose to appoint a responsible person instead of a committee, except in the case of large organisations.

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

Barriers to Professional Development

- Ensure job opportunities are open to both women and men and individuals who reject binary gender categorizations under the same conditions, and women are encouraged to participate actively in all levels of employment. Where there are discrepancies in the level of participation of men versus women in different levels of the organization an investigation into the root cause should be undertaken.
- Ensure maternity leave is no less than an eight-week period after childbirth with compensation consistent with Applicable Laws or not less than 2/3 regular pay, whichever is higher, not including annual leave and not incurring any loss or privilege on account of such leave.

- Ensure meetings, management committees and decision-making forums are organised to include both women and men, and to facilitate the active participation of both.
- Barriers to professional development can be benchmarked through a variety of indicators including:

  o Percentage of senior leadership that is female/minority
  o Percentage of governing body female/minority
  o Percentage of non-clerical jobs held by women.

Discrimination

- Ensure the company has in place robust Policies preventing Discrimination and sexual Harassment.
- Ensure all line managers and supervisors are aware of company Policies on Discrimination and sexual Harassment and if necessary, undertake additional training.
- Ensure confidential and effective mechanisms exist for reporting and eliminating cases of Discrimination based on gender, marital status, pregnancy, parenthood or sexual orientation.
- Ensure that women and men are paid the same wage when they do equivalent work.
- Actively encourage and incentivise women to seek work traditionally considered men's work.
- Prohibit company mandated pregnancy testing during recruitment or post hiring.
- Review company training opportunities to assess uptake and if necessary, address barriers to participation.
- Providing programs that assist women to secure employment at all levels of the organization, including mentoring and leadership training.
- Visibly posted signs depicting culturally relevant cases of Harassment and describing how victims can seek redress.
- Investigation protocols that do not require Third Party verification of the particular allegation (the occurrences generally have no witnesses, and victims can face retaliation from perpetrators for complaining) but that review workplace conditions to determine whether such allegations could be true, followed by changes in workplace conditions to address the risks and public pronouncements of changes.
- Ensure women are represented on Worker representative committees (including those elected), grievance panels etc.
- Discrimination can be benchmarked through a variety of indicators including:

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

Harassment

- Ensure confidential and effective mechanisms exist for reporting and eliminating cases of sexual Harassment.
- Develop written Procedures defining and addressing direct and indirect Harassment, as well as Harassment that can occur outside the workplace.
- The Policies and Procedures for addressing gender-based violence should focus on helping victims, preventing any further harm to them and having disciplinary measures for perpetrators. That includes disallowing retaliation against victims and giving victims flexibility in their ability to take leave or other related benefits that help safeguard them.
- To effectively address gender-based violence, your Policy should also respect the confidentiality of the situation; defer to the victim's assessments of safety wherever reasonably possible; and actively promote prevention and awareness training.
- Prevent workplace Harassment and abuse. Below are some examples of workplace Harassment and abuse; all are considered unacceptable behaviours:

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

- Harassment is more difficult to monitor, because victims are often reluctant to report incidents and perpetrators may not be aware of the impacts of their actions. Indicators of an effective approach to Harassment include:

  o Proportion of the workforce which is aware of the Entity's Policy on sexual Harassment disaggregated by gender
  o Proportion of the workforce who understand what constitutes sexual Harassment

- o Rate of Workers reporting concerns with sexual Harassment (noting that no reports may indicate the Policy is not well-known or well-understood or that employees don't feel comfortable using the Policy)
- o Percentage of Harassment grievances successfully addressed to the satisfaction of the reporting Worker.

Public disclosure

- See Section 5. Public Disclosure of the **ASI Performance Standard Guidance** Introduction.
- Good practice is reporting in line with GRI 3: Material Topics 2021; GRI 405: Diversity and Equal Opportunity 2016.

Auditing

- For Guidance on auditing sub-Criteria related to review, consult Section 6. Regular Review of the ASI Performance Standard Guidance Introduction.

External links

- Additional information on developing a program that promotes gender equity and women's empowerment can be found at the UN Global Compact: Women's Empowerment Principles.
- Additional guidance for gender-based Violence and sexual Harassment is available from the ILO International Training Centre.
- The W+ Standard can be used for women's empowerment along the supply chain (external to the organization).
- Additional information on measuring the impact of gender equity and women's empowerment programs can be found in the BSR Making Women Count Report and Toolkit.
- For more guidance on promoting gender equity in your Business, consult available references such as the Women's Empowerment Principles (UN Global Compact / UN Women) and the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which is applicable to nation states.

9.3 Indigenous Peoples

The Entity shall:

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

b. Develop and document a process for identifying Indigenous Peoples based on their linguistic, social, governance and resource-linked characteristics rather than state recognition.

c. Demonstrate internal capacity (personnel, resources) to implement the process through evidence-based analysis that includes meaningful stakeholder engagement

d. Review the Policies and processes at least every 5 years.

e. Review the Policies and processes after any changes to the Business that alter risks to the rights and interests of Indigenous Peoples.

f. Review the Policies and processes on any indication of a control gap.

g. Publicly disclose the latest versions of the Policies and processes.

h. Demonstrate internal capacity to map indigenous communities by their cultural characteristics, rather than legal designations, and to engage meaningfully.

i. Inform Indigenous Peoples of the relevant ASI Performance Standard requirements and the ASI Certification Audit process, including their involvement, in a manner that is accessible, timely and understandable.

Application

The criterion applies to all Facilities where the presence of Indigenous Peoples or their land territories and resources is identified through an assessment process that is rooted in meaningful stakeholder engagement.

Affected Population and Organisation

- Where the presence of Indigenous Peoples or their lands, territories and resources is identified:
  - Ensure you are aware of legal and customary rights of Indigenous Peoples that may exist in affected land areas
  - Ensure, in your engagement with Indigenous Peoples, that you have the support of skilled personnel to guide engagement and facilitate discussion, with appropriate internal cultural sensitivity, capacity-building and oversight. This includes interpreters in the local language(s)/dialect(s) to support meaningful engagement.
  - Conduct informed Consultations with potentially affected Indigenous Peoples in a culturally appropriate manner.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

121

- o Note that a fundamental criterion for identifying Indigenous Peoples is their self-identification as such. Therefore, Indigenous Peoples may include those not explicitly recognized by national governments. (See the glossary definition based on the UN Permanent Forum on Indigenous Issues.)
- o Note the term "presence" of Indigenous Peoples refers not only to the physical presence in the area of operations, but also to Indigenous People in the wider context who have attachments to traditional lands and territories that might be impacted by the company's operations in the surrounding areas.

- The ASI Indigenous Peoples Advisory Forum has developed a guidance document on identifying Indigenous Peoples by region. See Appendix 6: Guidance for ASI Performance Standard implementing Entities: recognition of Indigenous Peoples.

Implementation – Resources

- Draw on experienced and expert assistance, in conjunction with the concerned Indigenous Peoples, to develop Policies, training, strategies, plans and actions. Ensure that these draw on appropriate language, anthropological, cultural and social skills.

- o Careful consideration should be given to the make-up of the team that develops and maintains ongoing relationships with Indigenous Peoples.
  Ensure that Indigenous Peoples communities have access to appropriate company contacts for issues related to the operation's activities.

Implementation - Policies

- In conjunction with the concerned Indigenous Peoples, develop and implement Policies and Procedures that address:

- o Respecting the rights, interests, aspirations, culture and natural resource-based livelihoods of Indigenous Peoples
- o Clearly identifying and understanding the interests and perspectives of Indigenous Peoples regarding operations, projects and potential impacts. Communities of Indigenous Peoples are not necessarily homogeneous and there can be divergent views and opinions within them. The views of the traditional elders or leaders may differ from those who have received formal education; the views of the elderly may differ from those of the youth; and the views of men may differ from women. Nonetheless in many cases, community elders or leaders, who are not necessarily the elected officials of these communities, play a key role. Furthermore, some segments of the community such as women, youth, and the elderly, may be more Vulnerable or At-Risk to project impacts than others. The Consultation should take into account the interests of these segments in the community while being cognizant of traditional cultural approaches that may exclude segments of the community from the decision-making process
- o Engaging and Consulting with Indigenous Peoples in a fair, timely and culturally appropriate way through an operation's life cycle, ensuring that Indigenous Peoples have access to all relevant information in a manner, language and form appropriate for them. The engagement process will take account of existing social structures, leadership, and decision-making

processes as well as social identities such as gender and age, and be cognizant of both the existence of patriarchal traditions and social norms and values that may limit women's participation in leadership roles and decision-making processes, and the need to protect and ensure the legal rights of Indigenous women

- o Obtaining Free, Prior and Informed Consent (FPIC) in applicable circumstances
- o Negotiating partnership and/or programs that provide benefits and mitigate impacts
- o Seeking to build long-term partnership with Indigenous Peoples to support self-empowered regional and community development, which addresses the development priorities of the concerned Indigenous Peoples, such as through education, training, healthcare, and Business enterprise support
- o Ensuring affected Indigenous Peoples have opportunities to provide their input into periodic Policy reviews and revisions
- o Monitoring the progress of engagement approaches, agreements, and evaluating impacts
- o Gender considerations and the intersection with the above.

- Consider the resources required to implement the Policies and Procedures effectively.

- o Resources should be allocated to cover company and Indigenous Peoples' capacity building needs. Independent expertise may be needed in the areas of Impact Assessment, negotiation, monitoring, reporting and grievance resolution activities.
- o Ensure all staff relating with Indigenous Peoples receive relevant training to ensure sufficient knowledge of key principles, local issues and appropriate conduct.
- o Where Indigenous Peoples are also Workers in the operations, consideration should be given to the need for cultural awareness training for all staff. The objective should be building cross-cultural understanding for company personnel to understand Indigenous Peoples' culture, values and aspirations, and for Indigenous Peoples to understand a company's principles, objectives, operations and practices.

Implementation – Processes

- The Human Rights Due Diligence process in criterion 9.1 should specifically address risks to Indigenous Peoples' rights and interests, in conjunction with the concerned Indigenous Peoples.

- o The UN Special Rapporteur on the Rights of Indigenous Peoples has noted that the following framework should apply: "Companies exercise Due Diligence by identifying, prior to commencing their activities, matters relating to the rights of Indigenous Peoples and paying adequate attention to those matters as the activities are being carried out. This includes recognition of the existence of Indigenous Peoples and of their own social and political structures; Indigenous Peoples possession and use of land, territory and natural resources, exercise by the state of its duty to consult Indigenous Peoples in relation to activities that might affect them, and the related responsibility of Business; impact studies and mitigation measures; and benefit sharing with Indigenous Peoples."

Public disclosure

- Good practice is reporting in line with GRI 301: Materials 2016; GRI 411: Rights of Indigenous Peoples 2016.

Auditing

For Guidance on auditing sub-Criteria related to review, consult Section 6 of the ASI Performance Standard Guidance Introduction.

External links

- For more guidance on respecting the rights of Indigenous Peoples, consult available references including IFC Performance Standard 7 – Indigenous Peoples – Guidance Note (2012), the International Council on Mining and Metals (ICMM) Good Practice Guide – Indigenous Peoples and Mining (2015), the Mining, the Aluminium Industry and Indigenous Peoples (2015) report and its associated Fact Sheet – Identifying Indigenous Peoples, and the UN Declaration on the Rights of Indigenous Peoples.

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 Material 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.

Application

For New Projects and Major Changes initiated pre-2022: this criterion applies only to those projects initiated after the Entity joined ASI.

For New Projects and Major Changes initiated from 01 January 2022 onwards: this criterion applies to all projects.

Criterion 9.4(a) applies to all Facilities.

Criterion 9.4(b) applies to all Bauxite Mines.

Criterion 9.4(c) applies if either 9.4(a) or (b) applies.

Where the presence of Indigenous Peoples or their lands, territories and resources is identified, FPIC processes are applicable for New Projects or Major Changes to existing projects or Facilities that may have significant impacts on affected Indigenous Peoples. This would include:

- Impacts on lands and natural resources subject to traditional ownership or under customary use
- Resettlement[1] of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use
- Significant impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples
- Use of cultural heritage, including knowledge, innovations or practices of Indigenous Peoples for commercial purposes.

Background

- There is no universally accepted definition of Free, Prior and Informed Consent (FPIC) and practices are evolving. In broad terms, FPIC comprises a process and an outcome. The process builds upon mutual engagement process and should be established through good faith negotiation between companies and affected Indigenous Peoples. Good faith negotiation involves on the part of all parties:

  - Willingness to engage in a process and availability to meet at reasonable times and frequency
  - Provision of information necessary for informed negotiation
  - Exploration of key issues of importance
  - Use of mutually acceptable Procedures for negotiation
  - Willingness to change initial position and modify offers where possible
  - Provision of sufficient time for decision making.

- The outcome, where this process is successful, is an agreement and evidence thereof. (International Finance Corporation (IFC) Performance Standard 7 – Indigenous Peoples – Guidance Note (2012))

Implementation – Communication

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[1] 'Resettlement' in this context may refer to both physical displacement – relocation or loss of shelter, and economic displacement – loss of assets, or access to assets, that lead to loss of income sources or other means of livelihood, as a result of project-related land acquisition and/or restrictions on land use (Adapted from IFC Performance Standards, 2012).

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

125

- FPIC builds and expands on collaborative engagement and should be established through good faith negotiation processes. This goes beyond Consultation.

  o The right to give or withhold consent must be clear in the negotiation process with the affected Indigenous Peoples.
  o The company will need appropriate expertise while conducting this process. This includes expertise in sociology or anthropology and knowledge and understanding of the local context, culture and language(s) of the affected Indigenous Peoples.
  o The process should strive to be fair and transparent and ensure that all communities and relevant parts thereof are represented.
  o Special attention should be made to ensure that women, youth, elders and Vulnerable or At-Risk people can participate meaningfully in meetings and negotiations. Social or cultural norms or practices may prevent them from participating in engagement activities. For example, in some cultures women may not feel comfortable or be permitted to participate in important community decision-making processes. Logistical constraints may also make it difficult to participate: the women with family responsibilities, elderly/youth and those in poor health or with disabilities may face constraints in participating in engagement processes.

- **Free**: implies no coercion, intimidation or manipulation.
- **Prior**: implies consent has been sought sufficiently in advance of any authorisation or commencement of activities and respects the time requirements of Indigenous Peoples consultation, engagement, deliberation consensus processes.
- **Informed**: implies that information is provided that covers (at least) the following aspects:

  o The nature, size, pace, duration, reversibility and scope of any proposed project
  o The reason(s) or purpose of the project
  o The location of areas that will be affected
  o A preliminary assessment of the possible economic, social, cultural and environmental impacts, including potential risks and benefits
  o Personnel likely to be involved in the implementation of the project
  o Procedures that the project may entail.

- **Consent**: Consultation and participation are key elements of a consent process. Consultation must be undertaken in good faith. The parties must establish a dialogue allowing them to identify appropriate and workable solutions in an atmosphere of mutual respect, and full and equitable participation, with ample time to reach decisions. This process includes the option of withholding consent. Indigenous Peoples and Local Communities must be able to participate through their own freely chosen representatives and customary or other institutions.
- Good faith includes respect for how Indigenous Peoples wish to develop the FPIC process / protocol and respect for the independence of Indigenous Peoples' decision making processes. FPIC processes are essentially locally determined and therefore developed within the context of the particular culture and traditions of the affected peoples. It is not a corporate pre-defined process and corporations must proceed in cooperation with and under the guidance of the Indigenous authorities.

- Where the potentially affected Indigenous Peoples have an FPIC process/protocol in place the company should consider abiding by its provisions.
- Where there is no pre-existing FPIC process / protocol, the company should consider providing resources to support the potentially affected Indigenous Peoples to develop an FPIC process / protocol independently from the company, where they wish to do so; or where the potentially affected Indigenous Peoples do not wish to develop one by themselves, the company should engage with Indigenous Peoples' representative institutions in an effort to reach a mutual understanding regarding the FPIC process / protocol.
- If and where non-contacted Indigenous Peoples are involved, indications of their resistance to intrusions into their territories should be taken as clear expressions of their exercise of FPIC and rejection of the proposed intrusions.

- As part of the FPIC process, companies should consider, consistent with International Finance Corporation Performance Standard 7 Indigenous Peoples:

  - Documenting efforts to avoid and otherwise minimise impacts
  - Identifying, assessing and documenting resource uses and ensure affected Indigenous communities are informed of their land rights
  - Offering compensation, preferably land-based or compensation-in-kind, in lieu of cash compensation
  - Ensuring continued access to natural resources and ensure fair and equitable sharing of benefits associated with the use of resources that are central to the identity and livelihood of affected Indigenous Peoples communities.

- The provision for informed consent and other aspects of FPIC may require processes by which Indigenous Peoples better understand corporate proposals prior to decision making. Information should not only come from corporate representatives, and Indigenous Peoples may need access to independent expert inputs and technical advice. Consider how to:

  - Provide sufficient information for decision-making
  - Present information in forms that assist its comprehension
  - Translate materials into local languages
  - Establish funds under the control of Indigenous Peoples institutions for gaining independent legal advice or other expert support.

- Where physical or economic displacement of Indigenous Peoples is proposed, this will require their FPIC.

  - The lands provided must be of a similar quality, enabling them to maintain their livelihoods and, where appropriate and feasible, way of life.
  - As part of the Resettlement Action Plan, full consideration should be given to ensuring that they can access and return to original lands.
  - See also general guidance for criterion 9.6 on Displacement.

- Where FPIC is obtained, consider putting contractually binding rights-based, project-level agreements in place, addressing issues including impacts, risks, benefits, monitoring, reporting, grievance mechanisms, project transfer, closure and Rehabilitation, and access and protection of cultural and sacred sites.

- Indigenous Land Use Agreements (ILUA) in Australia and Impact Benefit Agreements in Canada provide examples for such framework agreements.

- Where FPIC is not obtained, this should also be recorded.
- The outcome of the consent process should be disclosed to Indigenous Peoples in a form that is understood by them (oral, textual, graphical or other as appropriate). This should be done with due consideration of any confidentiality concerns of the Indigenous Peoples.

External links

- For more guidance on implementing FPIC processes, consult available references including
  - the International Finance Corporation (IFC) Performance Standard 7 – Indigenous Peoples – Guidance Note (2012),
  - Food and Agriculture Organisation of the United Nations (FAO) – Respecting Free, Prior and Informed Consent (2014),
  - Forest Stewardship Council (FSC) guidelines for the implementation of the right to free, prior and informed consent (FPIC) (2012),
  - the International Council on Mining and Metals (ICMM) Good Practice Guide – Indigenous Peoples and Mining (2015)
  - the Mining, the Aluminium Industry and Indigenous Peoples (2015) report and its associated Fact Sheet – Free Prior and Informed Consent (FPIC),
  - Resolve's The Practice of FPIC,
  - The Australian Business Guide to Implementing the UN Declaration on the Rights of Indigenous Peoples
  - The UN Declaration on the Rights of Indigenous Peoples.

9.5 Cultural and Sacred Heritage

The Entity shall:

a. In Consultation with and, where possible, with the participation of Affected Populations and Organisations, 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 a project may significantly impact on cultural, historical or spiritual heritage that is essential to the identity of Indigenous Peoples, priority shall be given to the avoidance of such impacts. Where the impacts are unavoidable, the Entity shall obtain the Free, Prior and Informed Consent of Indigenous Peoples.

Application

Criterion 9.5(a) applies to all Facilities.

Criterion 9.5(b) applies to all Facilities where the presence of Indigenous Peoples or their lands, territories and resources is identified.

Background

Tangible cultural heritage is considered a unique and often non-renewable resource that possesses cultural, scientific, spiritual, or religious value and includes moveable or immovable objects, sites, structures, groups of structures, natural features, or landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural value.

Implementation

- Prior to any ground disturbing activity that may impact on sacred or cultural heritage sites and values, develop and implement specific measures that prevent, remedy or mitigate negative impacts from your activities.
  - o Develop these measures with the participation of the relevant Affected Populations and Organisations.

Implementation – Risk assessment

- Identify, through consultations with relevant Affected Populations and Organisations, any existing sacred and/or cultural heritage sites and values within your areas of operation.
  - o The process for Indigenous Peoples to identify their sacred and cultural heritage sites remains under their control and should not be overruled by outside experts. Culturally appropriate processes of site identification should be used as appropriate, which may require additional resources.

Implementation - Policies

- Develop a general Policy and Procedures on sacred or cultural heritage sites and values, in consultation with potentially affected Communities.

Implementation - Processes

- Where relevant, implement a monitoring system that verifies the effectiveness of these measures, in cooperation and, where possible, with the participation of the relevant Affected Populations and Organisations. Where any issues are identified that need to be addressed, the approach taken should build on existing Communities' values and processes.

External links

- For more guidance on protecting cultural heritage, consult available references including the International Finance Corporation (IFC) Performance Standard 8 – Cultural Heritage – Guidance Note and the Mining, the Aluminium Industry and Indigenous Peoples (2015) report.

9.6 Displacement

The Entity shall:

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.

When physical or economic displacement is unavoidable the Entity shall:

b. In Consultation with and, where possible, with the participation of Affected Populations and Organisations, develop a Resettlement Action Plan that covers, at a minimum:

    I.   the applicable requirements of IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement)
    II. compliance with Applicable Law regardless of the number of people affected
    III. living conditions and income generating options, which should equal or exceed those prior to displacement.

c. Review the Resettlement Action Plan at least every 5 years.

d. Review the Resettlement Action Plan after any changes to the Business that Materially alter the conditions under which the plan was created.

e. Review the Resettlement Action Plan on any indication of a control gap.

f. Publicly disclose the latest version of the Resettlement Action Plan, including the number of people impacted.

g. Progress against the Resettlement Action Plan shall be shared with Affected Populations and Organisations annually for the duration of its implementation or in the event of a deviation from the Resettlement Action Plan.

h. Obtain the Free, Prior and Informed Consent of Indigenous Peoples where Indigenous Peoples are involved in the displacement.

i. Publicly disclose the Free, Prior and Informed Consent, where relevant and whether obtained or not obtained.

Application

For New Projects and Major Changes initiated pre-2022: this criterion applies only to those projects initiated after the Entity joined ASI.

For New Projects and Major Changes initiated from 01 January 2022 onwards: this criterion applies to all projects.

Background

- Displacement refers both to physical displacement – relocation or loss of shelter, and economic displacement – loss of assets, or access to assets, that lead to loss of income sources or other means of livelihood, as a result of project-related land acquisition and/or restrictions on land use.
- Involuntary displacement occurs when affected persons or Communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

  o Experience has shown that involuntary displacement can result in long-term hardship for affected persons and Communities. Unless properly managed, involuntary resettlement may result in impoverishment, as well as environmental damage and social stress in areas to which they have been displaced.
  o Note that International Finance Corporation [Performance Standard 5 Land Acquisition and Involuntary Resettlement (2012)](does not apply to displacement resulting from voluntary land transactions – that is, market transactions where the seller is not obliged to sell and the buyer cannot resort to appropriation or other compulsory Procedures if negotiations fail.

Implementation

- Consider all feasible alternative project designs that avoid, or where avoidance is not possible, minimise physical and/or economic displacement, while balancing environmental, social and financial costs and benefits.

  o Gender is a critical dimension and women's interests, expectations and participation should be sought. Gender-sensitive mechanisms should be implemented to avoid negative impacts on women's livelihoods.
  o Consideration should also be given to the rights of poor and/or Vulnerable or At-Risk people, such as those renting land from a landholder who is involved in negotiations.

- Negotiated settlements help avoid expropriation and eliminate the use of governmental authority to remove people forcibly. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or Communities, and by mitigating the risks of asymmetry of information and bargaining power.
- Involuntary displacement only takes place when all other solutions have been explored and rejected, via a social impacts analysis that balances environmental, social and financial costs and benefits and takes into account the impacts on the poor and Vulnerable or At-Risk groups.
- In case of physical displacement (i.e., resettlement, where projects involve the relocation of people from their homes), develop and implement a Resettlement Action Plan that is consistent with International Finance Corporation Performance Standard 5 [Land Acquisition and Involuntary Resettlement (2012)](, with the participation of all affected persons and communities. The scope and level of detail of the Resettlement Action Plan will vary with the magnitude of displacement and the complexity of the measures required to mitigate impacts. Consider:

  o Identifying all people to be displaced
  o Demonstrating that displacement is unavoidable
  o Describing efforts to minimise displacement

- o Describing the regulatory framework
- o Describing the process of informed Consultation and participation with affected people regarding acceptable displacement alternatives, and the level of their participation in the decision-making process
- o Describing the entitlements for all categories of displaced people and assess risks to Vulnerable or At-Risk groups of the various entitlements, with an emphasis on efforts to provide land-for-land compensation of equal or greater productive and social value than the land acquired
- o Enumerating the rates of compensation for lost assets, describe how they were derived and demonstrate that these rates are at least equal to the replacement cost of lost assets
- o Ensuring that documentation of ownership or occupancy, such as title deeds and lease agreements, and compensation (including the bank accounts established for payment of compensation), are issued in the names of both spouses or of single women heads of households, as relevant to each situation. Under circumstances in which Applicable Law and local customary tenure systems do not give women equal opportunities or rights with regard to property, provision should be made to ensure that the access of women to security of tenure is equivalent to that of men and does not further disadvantage women
- o Providing details on replacement housing
- o Outlining plans for livelihood restoration if applicable, paying particular attention to the needs of women, the poor, and Vulnerable or At-Risk groups
- o Describing relocation assistance to be provided
- o Outlining the institutional responsibility for the implementation of the Resettlement Action Plan and Procedures for grievance redress
- o Providing details of the arrangements for monitoring and evaluation and affected Communities' involvement in this phase
- o Providing a timetable and budget for the implementation of the Resettlement Action Plan.

- Key issues to consider in the Plan include compensation, livelihoods, housing and living conditions at sites, as well as social and cultural continuity of the Community.

  - o When considering resettlement locations and housing, consider the following criteria for adequacy: accessibility, affordability, habitability, security of tenure, cultural adequacy, suitability of location, and access to essential services such as health and education.
  - o There may also be a need to develop agreed strategies for protection of sites or safe movement of objects of special historical, spiritual or cultural significance (see criterion 9.5).
  - o Consideration should be given to the possibility of individuals and/or Communities returning to the land.
  - o Women are frequently the first to suffer when resettlement is badly planned or executed as they are often a disproportionately large number of the poor; have more limited access to resources, opportunities, and public services than men; and as a result, rely more heavily on informal support networks within their existing Communities. The resettlement process should specifically take into account women's situations, adapting the engagement process as necessary to provide women a role in decision making. Special effort should be made to identify women's: (i) means of income generation and livelihoods, including non-formal activities such as gathering natural resources, trading and bartering services and wares; (ii)

social and economic networks including extended family ties; and (iii) ownership of affected assets including land and crops in order to appropriately compensate the owners. Women may, for example, put particular emphasis on maintaining the social continuity of the displaced Community.

- o Consider raising the profile of gender related matters in discussions with government agencies and other relevant groups in the course of resettlement planning, and in so doing encourage more equitable treatment of affected women.

- Compensation standards should be transparent and applied consistently to all those affected, and ready for implementation by the time of the displacement.

  - o Entitlements for the applicable classifications of affected persons, depending on the type of displacement and their formal legal rights, should be consistent with IFC Performance Standard 5.
  - o Land-based compensation should be a starting point for agriculturally based livelihood Communities, rather than cash.

- Consider developing a grievance mechanism for Community complaints as part of the Resettlement Action Plan that is:

  - o Equipped to hear complaints around the livelihood restoration following the displacement
  - o Specific to the displacement so that concerns relating to the displacement itself, including the Resettlement Action Plan, can be raised before and after resettlement occurs
  - o Time bound in implementation or, alternatively, consider developing a time-bound grievance mechanism specific to the displacement.

- Guidance on the development of grievance mechanisms generally can be found in criterion 3.4.

<u>Economic displacement</u>

- In the case of projects involving economic displacement only (loss of assets or access to assets that leads to loss of income sources or other means of livelihood), the Entity will develop a Livelihood Restoration Plan to:

  - o collaboratively/participatively establish the entitlements of affected persons and/or communities
  - o compensate affected persons, and
  - o ensure that these are provided in a transparent, consistent, and equitable manner. The mitigation of economic displacement will be considered complete when affected persons or communities have re-established their livelihoods at or above the level prior to displacement

- o Economically displaced persons who are without legally recognisable claims to land (but present prior to the cut-off date for eligibility) will be compensated for loss of assets others than land (such as crops, irrigation infrastructure and other improvement made to the land), at full replacement cost.
- For persons whose livelihoods are land-based, replacement land that has a combination of productive potential, locational advantages, and other factors at least equivalent to that being lost should be offered as a matter of priority. For persons whose livelihoods are natural resource-

based, implementation of measures will be made to either allow continued access to affected resources or provide access to alternative resources with equivalent livelihood-earning potential and accessibility.

- If natural resource usage is collective rather than individual, indigenous protections (Criteria 9.3, 9.4) may be applicable.
- Cash compensation alone is frequently insufficient to restore livelihoods. However, transitional support should be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living.

Public disclosure

- See Section 5. Public Disclosure of the **ASI Performance Standard Guidance** Introduction.

Auditing

- For Guidance on auditing sub-Criteria related to review, consult Section 6. Regular Review of the ASI Performance Standard Guidance Introduction.

External links

- International Finance Corporation (IFC) Performance Standard 5 (January 2012) provides an international standard for Land Acquisition and Involuntary Resettlement, with objectives to:

  o Avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs
  o Avoid forced eviction
  o Anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisitions or restrictions on land use by providing compensation for loss of assets at replacement cost, and ensuring that resettlement activities are implemented with appropriate disclosure of information, Consultation and the informed participation of those affected
  o Improve, or restore, the livelihoods and standards of living of displaced persons
  o Improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at displacement sites.

- An outline of a Resettlement Action Plan is provided in Annex A of the IFC Performance Standard 5 Guidance Note, and the Handbook provides step-by-step guidance through the resettlement planning process and includes practical tools such as implementation checklists, sample surveys, and monitoring frameworks.
- For more guidance on management of physical and/or economic displacement, consult available references including

  o the International Finance Corporation (IFC) Performance Standard 5 – Land Acquisition and Involuntary Resettlement – Guidance Note (2012),
  o the IFC Handbook for Preparing a Resettlement Action Plan (2001)
  o the Basic Principles and Guidelines on Development Based Evictions and Displacement (UN Special Rapporteur).

9.7 Affected Populations and Organisations

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

a. Implement a plan to identify, prevent, monitor, mitigate and account for any significant impacts, including health and safety, social and cultural Human Rights and environmental impacts resulting from its activities.

b. Develop the plan in Consultation with and, where possible, with the participation of Affected Populations and Organisations.

c. In accordance with the plan, commit resources to Local Community development.

d. Review the plan at least every 5 years.

e. Review the plan after any changes to the Business that alter Material environmental, social and governance risk(s).

f. Review the plan on any indication of a control gap.

g. Publicly disclose the latest version of the plan.

h. Explore with Affected Populations and Organisations opportunities to respect and support their livelihoods.

Application

This criterion applies to all Facilities.

Affected Populations and Organisations

- Make sure you are aware of and respect the legal and customary rights and interests of Local communities in relation to their lands and livelihoods, as well as their related access to and use of natural resources.

  o Review the map of Affected Populations and Organisations from criterion 9.1(c), and where they exist, review social and environmental Impact Assessments, and assess current engagement and dispute resolution strategies.

  o Consider each operation's Area of Influence, which includes areas that are directly impacted, as well as indirect project impacts on Biodiversity or on Ecosystem Services upon which Affected Populations and Organisations' livelihoods are dependent.

  o Be aware that Local Communities, including Indigenous Peoples, may not possess legal title to lands but may still use lands and natural resources, including seasonal or cyclical use, for their livelihoods or Community purposes.

- o A Community engagement approach, based on two-way information sharing and decision-making processes, can help create mutual understanding and responsiveness by all parties.
- o Make sure you consider potential impacts on affected communities such as noise, dust and increased traffic from operations. More broadly, in some areas social conflict can arise in communities where a new operation benefits some Community members but not others, changing the social dynamics. The nature of communities can change through in-migration of new Workers or people seeking work.
- o In particular, consider the gendered nature of impacts that can arise. Where there are environmental impacts that affect land-based activities in Local Communities, this can undermine women's ability to provide food and clean water for their families and can increase their workload. Where compensation or employment is directed to men "on behalf" of families, this can create a cash-based economy and affect women's traditional status in society. A transient male work force can bring increased alcohol, sex workers and violence into a Community, affecting women's safety.
- o Consider also potential Community benefits, such as the development of roads and railways in the interest of the local population and opportunities to enhance Biodiversity, Ecosystem Services, and culture.
- o Successful engagement required ongoing frameworks for regular discussion, Consultation and interaction. Consider how to be inclusive, equitable, culturally appropriate and rights-compatible in your engagement activities.

Implementation – Risk assessment

- Where actual or potential impacts on Local Community livelihoods are identified, take appropriate steps to prevent and/or address these.

  - o Consider the livelihoods of both women and men.
  - o Consider what steps and measures are appropriate for the organisation, given its potential impact and/or sphere of influence. Businesses are not expected to take on the responsibility to sustain the livelihoods of Local Communities in general, but to avoid and minimise negative impacts that they may cause or contribute to.
  - o Where Biodiversity conservation measures are likely to affect the livelihood of Local Communities, decisions on Biodiversity conservation and the use of natural resources should be taken in consultation with local communities, including both women and men.
  - o Similarly, actions taken to monitor, avoid, minimize, reduce and compensate for any significant impacts to Local Communities should be respectful of Biodiversity and Ecosystem Services.
  - o As part of the Community engagement approach, ensure that complaints and grievance mechanisms are clear, have been communicated to Local Communities and function according to their expectations.

Implementation – Processes

- The Human Rights Due Diligence process conducted under criterion 9.1 should be used, in part, to identify the presence of issues affecting Local Communities.

Implementation – Communication

- More broadly, as part of ongoing Community engagement, explore options for supporting Community livelihoods and for contributing to local development.

  o Consider initiatives and actions that can stimulate the development of Local Communities, without creating dependence on the company or other actors.

  o For example, capacity building, micro-credit initiatives, improved farming practices, and introduction of governance models for management of shared natural resources, are models that have had success in different contexts.

Public disclosure

- See Section 5. Public Disclosure of the **ASI Performance Standard Guidance** Introduction.

Auditing

- For Guidance on auditing sub-Criteria related to review, consult Section 6. Regular Review of the ASI Performance Standard Guidance Introduction.

9.8 Conflict-Affected and High-Risk Areas

In order to avoid involvement in 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)

Application

This criterion applies to all Facilities.

This criterion only applies to Entities that source directly or indirectly any Bauxite, Alumina or primary Aluminium.

Guidance

- Risk-based Due Diligence is a process that is relevant for a number of Criteria in the **ASI Performance Standard**. For criterion 9.8, the focus of Due Diligence is on identifying and assessing risks related to Conflict-Affected and High-Risk Areas (CAHRAs), which are defined under the [OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas](#) (the 'OECD Guidance').

  o *Note: the recycling of metals reasonably assumed to be Pre-Consumer or Post-Consumer Scrap is excluded from the scope of the OECD Guidance (p13, footnote 2).*

> **Risk-based Due Diligence** – An ongoing, proactive and reactive process through which companies can identify and assess risks, and design and implement a strategy to respond to identified risks. (Adapted from [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#))

  o *Criterion 9.8 is thus Not Applicable for Entities that source <u>only</u> Aluminium in the form of Pre-Consumer or Post-Consumer Scrap, or Recycled Aluminium produced <u>only</u> from such inputs, and do not source directly or indirectly (through intermediate suppliers) <u>any</u> Bauxite, Alumina or Primary Aluminium (including via Recycled Aluminium or secondary production) through their supply chain. The reason for the Not Applicable rating must be clearly noted in the Self-Assessment and verified and documented for the Audit Report.*

- Risk-based Due Diligence enables companies to identify risks in order to prevent or mitigate adverse impacts associated with their sourcing practices. Due Diligence is designed to be an active process which is:

  o *Ongoing*: integrated into Management Systems and regular processes
  o *Proactive*: implemented to identify risks and mitigate them, so as to prevent adverse impacts
  o *Reactive*: able to respond promptly to actual and potential risks
  o *Risk-based*: designed to a level of detail and effort that matches the severity and likelihood of risks in your own supply chain
  o *Improving over time*: while initially there may be low understanding of supply chain risks, knowledge and systems should be improved over time.

- Conflict-Affected and High-Risk Areas (CAHRAs) can be a region, a country, an area within a country or an area that crosses one or more national boundaries. Companies that operate in, or source or use minerals from CAHRAs, are not necessarily complicit in conflict – in fact they can play an important role in supporting livelihoods, economic growth and prosperity in these areas when supported by a responsible sourcing program anchored in Due Diligence.
- The nature and extent of Due Diligence that is appropriate for a company will depend on individual circumstances and be affected by factors such as the size of the enterprise, the location of the activities, the situation in a particular country, and the sector and nature of the Products or services involved. Due Diligence should be undertaken in good faith with reasonable efforts.
- The OECD Guidance outlines a five-step framework for risk-based Due Diligence which is global in scope and can be applied to all minerals. The key elements of the OECD five steps are shown in *Figure 1*.
- Additional resources are available on the London Metal Exchange Website, including short FAQ videos.

Figure 1 - The key elements of OECD's five-step framework for Due Diligence (Adapted from: Responsible Jewellery Council, Code of Practices Guidance, 2019)

The ASI Performance Standard has addressed the issue of sourcing from Conflict-Affected and High-Risk Areas since inception. By formally aligning with the OECD Guidance in this latest version of the Performance Standard, ASI intends to become an 'industry program', particularly in relation to Step 4 audits – the first such program designed for the global Aluminium value chain. As such, the Due Diligence process is to be global in scope and implemented internationally by companies throughout their supply chains. While the OECD Guidance applies to all minerals, the scope of ASI's program covers Bauxite, Alumina and Aluminium.

To support ASI Members implementing the OECD Guidance for the first time, and in the absence of a tailored OECD Guidance Supplement for Aluminium, a detailed approach for the Aluminium supply chain is set out by ASI below. The OECD Guidance itself can also be referenced for more information. Companies retain individual responsibility for implementing all applicable due diligence steps, including reporting.

ASI's approach is anchored in the overarching OECD five-step framework, with additional guidance and supporting definitions drawn from the Gold and 3Ts Supplements as appropriate and adapted from other implementing programs for gold and non-3TG minerals, particularly the Responsible Jewellery Council.

A detailed OECD Alignment Assessment of ASI's approach will be carried out to evaluate ASI's alignment with the OECD Guidance. Subsequent recognition by the London Metal Exchange (LME) as a 'Track A' external standard under LME's Responsible Sourcing rules will be based on the results of the alignment assessment.

The OECD five-step framework is presented below in the order that the steps are set out in the OECD Guidance. While the overall framework is mandatory, companies may implement the various parts of Steps 1 and 2 in the order that works best for them, or in parallel, to enhance learning and improvement.

Artisanal-scale Mining (ASM) is not applicable to Bauxite extraction

ASM, SSM (Small-scale Mining) and Large-Scale Mining (LSM) differ in terms of definition, modes of extraction, regulation, tax regimes, nature of actors, entry methods, and risk profiles. Across these aspects, bauxite mining predominantly falls into the category of LSM, although sometimes SSM may occur.

ASM (defined as "formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing and transportation, which is normally low capital intensive and uses high labour-intensive technology" in the OECD Due Diligence Guidance, Supplement on Gold, 2016[2]), is categorically different for a number of reasons. This is due to the geology of bauxite, which is not amenable to manual or simplified forms of exploration, extraction, processing and transportation, along with the high-volume and capital intensive nature of primary aluminium production, which it supplies. ASI has identified through extensive industry knowledge, literature review and stakeholder engagement that there are no instances of ASM activities related to bauxite.

While ASM is not applicable to the bauxite mining industry, small-scale (SSM) operations may sometimes be present. Small-scale mining (SSM) is extraction from ore or mineral deposits using low-impact, potentially short-term, small-footprint, regulated mining operations and technologies that are usually not labour-intensive. The approach is suitable for, but not limited to,

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[2] Organization for Economic Co-operation and Development (2016). OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing, Paris. Supplement on Gold, p.7

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Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

141

small ore deposits[3] The lack of extensive research relating to formal mining activities in small deposits by small and medium enterprises contributes to the interchangeable use of the terms small-scale mining and artisanal mining[4]

As ASM is not applicable to the bauxite mining industry, the ASM-specific aspects of the OECD Due Diligence Guidance are not applicable in the aluminium value chain. The OECD due diligence steps as laid out in the ASI Guidance can be used to determine risks of different scales and locations of operations, and where necessary, mitigate potential or actual adverse impacts.

For 9.8(a) OECD Step 1 – Establish strong company Management Systems

- *Step 1A: Supply chain Policy*

  o Adopt and commit to a CAHRAs Policy. The Policy should state your position on identifying and managing risks for Bauxite and the Aluminium supply chain specifically, or minerals generally, that are potentially sourced from CAHRAs, whether by yourself and/or via suppliers.

    ▪ A CAHRAs Policy template, adapted from the OECD Guidance Annex II, is included in Appendix 2.

  o Set out your commitment to the risk-based Due Diligence steps outlined in the five-step framework of the OECD Guidance (Annex I). Use the Policy to set out a clear and coherent management process to ensure these risks are adequately managed.

  o Make sure your Policy covers all the risks associated with CAHRAs at a minimum. Risks associated with CAHRAs are identified in Annex II of the OECD Guidance (see box below).

  o The CAHRAs Policy can be stand-alone or integrated in a broader approach to responsible sourcing or Due Diligence, for example your company's Code of Conduct (criterion 1.3), Environmental, social and governance Policy (criterion 2.1), and/or Human Rights Policy (criterion 9.1a).

  o Seek to involve relevant staff in the development of the Policy, such as in the procurement, production, compliance, customer and communications areas, to help make sure it can be practically implemented. Consulting key external Affected Populations and Organisations may also be valuable.

  o Communicate your Policy to suppliers and the public, including by:

    ▪ Making it publicly available on your website
    ▪ Sending it directly to immediate suppliers.

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[3] Sidorenko O, Sairinen R, Moore K. (2020) 'Rethinking the concept of small-scale mining for technologically advanced raw materials production', *Resources Policy*, volume 68, pages 101712-101712, article no. 101712, DOI:10.1016/j.resourpol.2020.101712.
[4] Ibid.

OECD Guidance Annex II Risks in CAHRAs

Risks of **serious Human Rights abuses** in CAHRAs are outlined in Paragraph 1 of Annex II of the OECD Guidance as:

- Any forms of torture, cruel, inhuman and degrading treatment
- Any forms of Forced Labour or compulsory labour
- Worst forms of Child Labour
- Other gross Human Rights violations and abuses such as widespread sexual violence
- War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
  Other risks in CAHRAs which are outlined in Annex II of the OECD Guidance are:
- Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions
- Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain
- Bribery and fraudulent misrepresentation of the origin of minerals
- Money laundering and non-payment of taxes, fees and royalties due to governments.

- *Step 1B: Structure internal Management Systems to support supply chain Due Diligence*

  o Assign authority and responsibility to a senior manager with the necessary competence, knowledge and experience to oversee supply chain Due Diligence. Their responsibilities will include:

    ▪ Leading the development and implementation of the CAHRAs Policy (Step 1A)
    ▪ Co-ordinating and communicating the Policy and its implementation across the company
    ▪ Engaging with relevant suppliers to respect the Policy
    ▪ Carrying out internal and, if relevant, external training
    ▪ Responding to identified supply chain risks
    ▪ Publicly reporting on Due Diligence each year (Step 5)
    ▪ Reviewing and improving internal Management Systems over time.

  o Make sufficient resources available to support the implementation of supply chain Due Diligence, taking into account the company size, location and circumstances.

  o Organise internal structures and communication processes so that critical information, including the CAHRAs Policy (Step 1A), reaches relevant internal teams and suppliers.

  o Support delivery of relevant training to build capacity internally and with suppliers as appropriate. This can include accessing publicly available training modules developed by ASI.

  o Depending on your size and circumstances, different aspects of supply chain Due Diligence may be delegated or implemented by various individuals and teams in an organisation. However internal accountability should be clearly set out, and ultimately rest with the responsible senior staff who oversees these activities.

- *Step 1C: Establish a system of transparency, information collection and controls over the supply chain*

  - An understanding of your supply chain is the foundation of risk-based Due Diligence. The OECD Guidance is framed around identifying the 'origin' of mined minerals and countries of transit for the mined ore, so that you can assess risks associated with CAHRAs. The responsibilities for these efforts depend on your position in the supply chain.

  - **What is the origin?** To support determination of the origin of Aluminium, ASI has drawn from the OECD Guidance Gold Supplement to create the following framework to guide implementation:

    - **Primary Aluminium origin:** the country/ies or mine/s where Bauxite ore/s were mined.
    - **Recycled Aluminium (secondary Aluminium) origin:** the recycling of metals reasonably assumed to be Pre-Consumer or Post-Consumer Scrap is excluded from the scope of the OECD Guidance and these materials do not need a determination of origin. However, the origin/s of any *Primary Aluminium* used in Aluminium Re-Melting/Refining to produce secondary Aluminium must still be determined (according to the above or below definitions as appropriate).
    - **Grandfathered Aluminium stocks (primary or secondary):** to avoid the significant challenges of retrospective inquiry, Aluminium stocks held by warehouses, exchanges and producers with a verifiable production date prior to 1 January 2022 does not require a determination of Bauxite origin under criterion 9.8 of the **ASI Performance Standard.**

  - **Who has responsibility for determining Bauxite origin and countries of transit?** The OECD Guidance sees smelters or refiners as the 'choke point' (or control point) in mineral supply chains because they generally have higher visibility and control over identifying the origin of mined ore. The two OECD Guidance Supplements specifically identify tin, tantalum and tungsten smelters for 3Ts, and gold refiners for gold, as the key control point that links between mines and the downstream users of these respective metals.

    - The Aluminium value chain has not one but **two mineral processing steps** between mines and the production of metal: Alumina Refining from Bauxite ore, followed by Aluminium Smelting of the Alumina through electrolysis to produce Primary Aluminium. These Facilities are not usually co-located, and while some companies have vertical integration, many do not.
    - **In addition,** Aluminium Re-Melting/Refining, which is a process to recycle Aluminium Process Scrap and used Aluminium Products, may sometimes also source small amounts of Primary Aluminium to improve the quality of secondary (recycled) Aluminium.
    - **Primary (mined) vs Recycled (secondary) Aluminium:** Aluminium Re-Melting/Refining processes cannot themselves produce Primary Aluminium. The raw material input to

Aluminium Smelters, Alumina (a white powder), can in no way be directly used by, or confused with primary or secondary metal inputs to, Aluminium Re-melters/Refiners. Thus, unlike for gold, recyclable Aluminium cannot be used as a mechanism to disguise the origin of Bauxite or Alumina inputs to Aluminium smelters, an issue addressed in the OECD Gold Supplement for gold refiners, but which is not relevant to the Aluminium supply chain.

> Thus, in recognition of the OECD Guidance principles, the 'choke point' or control point for the Aluminium supply chain is deemed to be Aluminium Smelters. In accordance with the OECD Guidance then:
>
> - The focus on collection and sharing of information on Bauxite origin and countries of transit lies largely with the primary production supply chain.
> - Once Primary Aluminium metal is produced, the focus of companies further down the supply chain shifts to the Due Diligence practices of Aluminium Smelters.

o **What information should we collect and share?** Table 2 below sets out how the principles of the OECD Guidance for the collection and flow of information and controls can be reasonably applied in the Aluminium supply chain.

For Bauxite Mining, Alumina Refining and Aluminium Smelting, Information on Bauxite origin and transit should be collected and shared as:

- *Origin*: The specific mine/s and/or the country/countries where the Bauxite was mined
- *Transit*: A list of any other countries through which the Bauxite ore transited.

The information to be shared with customers or other parties does not need to be disaggregated by supplier, particularly where there are commercial confidentiality concerns. If Bauxite origin and transit locations change regularly, the information can be provided by shipment or periodically as origin or transit arrangements change. If the origin and transit locations remain consistent, the information could be provided to customers annually or on request.

For Aluminium Re-melting/Refining and Post-Casthouse (downstream) companies, the identity of Aluminium Smelters in your supply chain, and information on their Due Diligence practices, is what you should seek to collect as part of Step 1C.

Table 2 - Collecting information on Bauxite origin and Aluminium Smelters, depending on your supply chain activity

Bauxite Mining	Alumina Refining	Aluminium Smelting	Aluminium Re-melting/Refining	Post-Casthouse (Downstream)
Pass on Bauxite origin/s and any other countries of transit to customers or Traders. If sourcing any Bauxite from mines outside of your direct control, maintain a clear understanding of origin/s.	Seek information on Bauxite origin/s and any other countries of transit, by requesting this from your *Bauxite suppliers*. Pass on information to Alumina customers or Traders.	Seek information on Bauxite origin/s and any other countries of transit for Bauxite used to produce Alumina, by requesting this from your *Alumina suppliers*. Pass on information to primary Aluminium customers or Traders.	If sourcing any primary Aluminium, use best efforts to identify the A*luminium Smelters* in your supply chain. Seek to verify that the smelters/s have conducted Due Diligence in accordance with the OECD Guidance. Pass on information to secondary Aluminium customers or Traders.	Use best efforts to identify the A*luminium Smelters* in your supply chain, including via any Aluminium Re-melters/Refiners that source primary Aluminium. Seek to verify that the smelters/s have conducted Due Diligence in accordance with the OECD Guidance. Pass on information to your customers (where applicable).

- o **How do we work with suppliers to collect this information?** As implementation of the OECD Guidance in the Aluminium value chain builds over time, your suppliers will become more familiar with these requests. However unlike for tin, tungsten, tantalum and gold, where supply chain Due Diligence expectations for these metals became embedded in legislation in the US, EU and elsewhere and which helped to drive uptake over a number of years, the Aluminium sector will only begin formally implementing the OECD five-step framework from 2022.

- o

    Recognising this context, here's how you can get started:

- Reference your CAHRAs Policy in communications, contracts, agreements, invoices or other relevant documents
- Contact all relevant suppliers to discuss your CAHRAs Policy and encourage them to ask questions. This will provide an opportunity to understand potential risks or information gaps, as well as assess whether any additional training or capacity-building could be useful
- Where appropriate, work with your suppliers to help them build their own Due Diligence strategies and systems
- Where suppliers are unable or unwilling to provide information, think about the reasons – some may be simpler to resolve than others. Some suggestions include:
  - Where suppliers are unable to get the information from their own suppliers, consider setting up joint meetings or teleconferences
  - Where suppliers don't want to provide information that is confidential, discuss the possibility of a non-disclosure agreement to manage information sharing and address the purpose and use of the information.
- In practice, the information you want may simply not be available yet, until Due Diligence practices start to build up through a sequence of suppliers, Traders and transporters.
  - If you are starting with very little or no information on your supply chain, you can still demonstrate Conformance with this criterion by documenting the steps you have taken to seek information and your plans to improve your data over time.

- **What are some practical methods to collect this information?** Various approaches could be used, including:

  - Checklists, forms or online data collection tools sent to suppliers
  - ASI or other Chain of Custody (CoC) documentation provided by suppliers
  - Meetings and teleconferences with suppliers, which smaller companies may find easier or can help initiate discussions and awareness
  - For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies that source Casthouse Products, the Aluminium Smelter or secondary producer can usually be identified by a physical stamp or marking imprinted on or attached to the Aluminium.

- We are involved in Bauxite Mining, Alumina Refining and/or Aluminium Smelting: should we connect Bauxite origin and transit plus supplier information to our material inputs and outputs?

  - Yes. The information you collect under Step 1C will also be important for your customers. Connect this information in your mineral and metal transaction records with:
    - Information about the form, type, and weight of material inputs and associated outputs as appropriate
    - Supplier details, including 'know your customer' type information (see below) – the identity, principals and operating locations of suppliers of Bauxite and/or Alumina.
  - For Alumina Refiners and Aluminium Smelters, use quality control processes for receiving Bauxite or Alumina shipments to identify any inconsistencies in the information provided by suppliers which may be relevant to helping you determine Bauxite origin or transit.

- **Other points to support transparency:**

- Know Your Customer (KYC) principles were established to combat money laundering and finance of terrorism. Collection and maintenance of supplier data is an ongoing process. KYC principles are a component of effective Anti-Corruption, as required under the ASI Performance Standard criterion 1.2 and the Due Diligence requirements under Principle 7 of the ASI Chain of Custody Standard, which requires Entities to conduct Diligence of suppliers of Non-CoC Material, CoC Material acquired through a Trader and Recyclable Scrap Material for potential environmental, social or governance risks, and take reasonable action to prevent or mitigate risks.
- It is recommended that companies collaborate fully and transparently with relevant law enforcement agencies, where applicable.
- Cash transactions can be used to undermine transparency. Make and receive payments for minerals and metals through official banking channels whenever they are reasonably available. Avoid cash purchases and ensure that any unavoidable cash purchases are supported by verifiable documentation.
- For Entities engaged in Bauxite Mining, support the implementation of the principles and criteria of the Extractive Industries Transparency Initiative (EITI) as per Criteria 3.3b in the **Performance Standard**.
- Be sensitive to commercial confidentiality concerns. The OECD Due Diligence Guidance for Responsible Business Conduct includes advice on how to do this, which can include asking for aggregate information rather than specific Business relationships or limiting access to supplier's sensitive information.
- Make sure you keep Due Diligence information, including Due Diligence processes, findings and resulting decisions, for at least five years. Maintaining this information in an updatable spreadsheet, database or similar will help to enhance accessibility and Due Diligence processes over time.

- *Step 1D: Strengthen engagement with suppliers*

  o Seek to influence suppliers to commit to a CAHRAs Policy consistent with the OECD Guidance.
  o Incorporate your CAHRAs Policy into contracts and/or agreements with suppliers.
  o Communicate your expectations to suppliers that they should undertake supply chain Due Diligence and risk management for risks related to CAHRAs, as set out in Annex II of the OECD Guidance.
  o Consider ways that could help support and build capacities of suppliers to improve supply chain Due Diligence and risk management, and thus better contribute to implementation of your CAHRAs Policy.
  o Aim to build long-term relationships with suppliers so that responsible sourcing relationships can be embedded in these.
  o Where risks are identified that need risk mitigation (see Steps 2 and 3), work with suppliers to design measurable improvement plans. External stakeholders, such as government and civil society, may also be involved where relevant and appropriate.

- *Step 1E: An effective Complaints Resolution Mechanism*

- A Complaints Resolution Mechanism provides an 'early warning' system that enables any Affected Populations or Organisation or whistle-blowers to raise concerns about Bauxite extraction, trade, handling and export from CAHRAs. This will enable you to be alerted to risks in your supply chain that may not be picked up in your own risk assessments.
- Your Complaints Resolution Mechanism for CAHRAs can be the same one as (or aligned with) that required under criterion 3.4 in the **ASI Performance Standard**. See the Guidance for criterion 3.4 on principles for designing rights-compatible Complaints Resolutions Mechanisms.
- The **ASI Complaints Mechanism** may also be used by Stakeholders to voice concerns about CAHRAs in respect of ASI Member activities, and due process will be applied.

For 9.8(b) OECD Step 2 – Identify and assess risks in the supply chain

- *Step 2 – building on the strong Management Systems and information collected under Step 1 – assesses risks that the Bauxite, Alumina and/or Aluminium that you produce or purchase through your supply chains may be contributing to conflict or serious Human Rights abuses.*
- *There are two key concepts to support this process:*

  - *Identifying 'red flags', which relies on*
  - *Determining which locations of Bauxite origin or transit are Conflict-Affected or High-Risk Areas (CAHRAs)*

Red flags - An indicator of a potential risk that triggers a need for enhanced Due Diligence. ASI has adopted the red flags framework from the OECD Guidance 3Ts Supplement, to align with the London Metal Exchange (LME) Policy on Responsible Sourcing of LME-Listed Brands. For the Aluminium value chain, red flags for locations and suppliers are as follows:

Location red flags:	*Supplier red flags:*
- The material originates from or was transported via a CAHRA - The material is claimed to originate from a country that has limited known reserves, likely resources or expected production levels - The material is claimed to originate from a country in which Bauxite from CAHRAs is known to transit	- Suppliers or other known upstream companies have shareholder or other interests in companies that supply Bauxite from or operate in a red flag location, or - They are known to have sourced Bauxite from a red flag location in the last 12 months.

- To be able to identify red flags, you will need to make reasonable determination as to which locations are considered 'CAHRAs'. This may be straightforward or complex, depending on the nature of your supply chain. In some cases, additional qualified advice or support may help you to make these determinations.

Resources for identifying CAHRAs

Unfortunately, there is no one definitive list of CAHRAs and application of the concept is new to the Aluminium value chain. ASI does not maintain lists of countries or areas that may be considered conflict-free or Conflict-Affected or High-Risk. The nature of conflict is ever-changing: while some conflicts may be country-wide, many conflict-related and high-risk incidents are concentrated on a regional or local level, or involve individual sites, entities, and actors. CAHRAs do not map precisely onto national boundaries, and there can be situations where some parts of a country would be a deemed a CAHRA while other parts would not.

The OECD Guidance and institutions such as the European Union, which has introduced conflict minerals regulation for 3Ts and gold, place the onus on supply chain participants themselves to make reasonable determinations as to whether a location is a CAHRA. The European Union has developed a global map and list of briefs on CAHRA's that is relevant for 3Ts and gold to support their regulation. This resource, described as 'indicative and non-exhaustive', is available at https://www.cahraslist.net/, and is updated quarterly. It does not currently cover bauxite but may be a useful reference point to understand CAHRA risks.

The OECD Guidance definition of a CAHRA highlights key characteristics of these areas relating to conflict, governance and Human Rights. Table 3 below summarises these and identifies some publicly available resources to help you assess the risks of locations you may be sourcing from.

Table 3 - Publicly available resources for identifying CAHRAs

Conflict	Governance	Human Rights
Areas in a state of conflict, including: • International conflict • Wars of liberation or insurgencies • Civil wars • Any other armed aggression	Areas with weak or no governance or security, characterised by: • Political instability or repression • Institutional weakness • Insecurity • Collapse of civil infrastructure • Widespread violence • Violations of national or international law	Areas affected by widespread Human Rights abuses and violations of law, including: • Torture or cruel and degrading treatment • Forced Labour and Child Labour • Widespread sexual violence • War crimes • Crimes against humanity • Genocide
Open sources: • Heidelberg Conflict Barometer • Rule of Law in Armed Conflicts (Geneva Academy) • Uppsala Conflict Data Program – Georeferenced Event Dataset • CrisisWatch (International Crisis Group) • Global Peace Index (Vision of Humanity) • Armed Conflict Location and Event Data Project	Open sources: • Worldwide Governance Indicators (World Bank) • Fragile States Index (Fund for Peace) • Corruption Perception Index (Transparency International) • NRGI Governance Index	Open sources: • United Nations Security Council Resolutions • United Nations Development Programme – Global Human Development Indicators – Country Profiles • Human Rights Watch • Amnesty International • Global Witness

Be aware that under the OECD Guidance, you are responsible for identifying red flags and carrying out a risk assessment for your suppliers – whether or not they belong to any responsible sourcing programs or initiatives.

• *Step 2A*: *Identify risks in the supply chain – 'red flags'*

  o **How do I get started?** Use the information gathered under Management Systems in Step 1 to identify any '<u>red flags</u>'. Your position in the supply chain will frame the scope of your risk assessment and any subsequent Due Diligence steps:

- **For Bauxite Mines**, identify any red flags based on knowledge of your production and transport of Bauxite. If you source Bauxite from other producers, 'Know Your Customer' information about the identity, principals and operating locations of suppliers, and any other information gathering, you should also determine whether it has any red flags.
- **For Alumina Refiners and Aluminium Smelters**, identify any red flags based on Bauxite origin and transit information provided by your suppliers, 'know your customer' information about the identity, principals and operating locations of suppliers, and any other information gathering.
- **For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies**, for the Aluminium Smelters in your supply chain, check whether they have identified, or reasonably should have identified, any red flags in their supply chains. Relevant evidence for the Due Diligence practices of smelters may include:
  - Evidence generated in Step 1, as well as any other information collected by engaging directly with suppliers or desktop research
  - Review of published information on ASI Certification against the **Performance Standard (V3)** – available on the ASI website
  - London Metal Exchange (LME) Listed Brands and evidence of their compliance with the LME Responsible Sourcing Rules
  - Other comparable programs for supply chain Due Diligence that is in accordance with the OECD Guidance.
- Companies should verify representations of suppliers with external sources of evidence proportional to risk, in order to make reasonable determinations.

- **Other points to support Step 2A:**

  - Table 3 above provides some specific examples of resources you may find useful in identifying red flags and CAHRAs. In general terms, credible resources may include:
    - Research reports from governments, international organisations, civil society and media
    - Maps, UN reports and UN Security Council sanction lists, OECD reports
    - Relevant industry literature on Bauxite extraction and impacts on conflict and Human Rights
    - Information raised through your Complaints Resolution Mechanism.
  - Keep records of how you reviewed and considered credible sources of information on potential CAHRAs and red flags that you can show to an ASI Auditor.
  - Make sure you regularly review and evaluate your risks, especially when forming relationships with new suppliers or when existing suppliers change their sourcing practices.

- **Next steps:**

  - For Bauxite Mining, Alumina Refiners and Aluminium Smelters:
    - If you can reasonably determine that no red flags are identified, then these sources can be considered low risk and no additional Due Diligence is required on them at this time. Remember to implement Steps 4 and 5.
    - If red flags are identified, proceed to Step 2B.
  - **For Aluminium Re-melters/Refiners that source primary Aluminium and Post-Casthouse (downstream) companies:**

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   152
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

- If you can reasonably determine that red flags do not arise for the Aluminium Smelter/s in your supply chain, then no additional Due Diligence is required for these. Remember to implement Steps 4 and 5.
- If the Aluminium Smelter/s have identified red flags in their Bauxite supply chain, proceed to Step 2B.

- **Unable to identify Aluminium Smelters:** For Aluminium Re-melters/Refiners that source Primary Aluminium and Post-Casthouse (downstream) companies, not knowing the identity of Aluminium Smelters in your supply chain will make it very difficult to assess red flags under Step 2A. Develop a plan to be able to demonstrate measurable improvement in your efforts to identify smelters, so you can improve your Due Diligence over time. For example:
  - Review improvement opportunities and extend your efforts under Steps 1 and 2
  - Where you are unable to identify the smelters in your supply chain, try asking for the Due Diligence information and/or practices of the furthest known company upstream of you
  - Where due to the size of your company or other factors, you find it difficult to identify suppliers upstream from direct suppliers, consider engaging and co-operating with other relevant companies to identify smelters in your supply chain and assess Due Diligence practices.
  - Remember to implement Steps 4 and 5.

- *Step 2B: Assess risks of adverse impacts associated with identified 'red flags'*

  - If no risks are identified in Step 2a, then Entities are not required to complete Step 2b.
  - You should consider a 'risk' as being any reasonable inconsistency between the information collected above and the following:

    - Your CAHRAs Policy
    - Applicable Law in the countries where your company is headquartered or operates, or in the countries where Bauxite is produced or transported
    - Legal instruments governing company operations and Business relations, such as financial, Contractor and supplier agreements
    - Other relevant international instruments, including those relating to international Human Rights law.

  - **Finding a red flag** does not necessarily mean that adverse impacts have occurred in your supply chain. Step 2B is the process where you look for the presence of any adverse impacts related to CAHRAs, as triggered by any identified red flags in Step 2A.

What are adverse impacts related to CAHRAs?

Adverse impacts related to mineral supply chains from CAHRAs are outlined in Annex II of the OECD Guidance as the following:

- Serious abuses associated with the extraction, transport or trade of minerals:

  o Any forms of torture, cruel, inhuman and degrading treatment
  o Any forms of forced or compulsory labour
  o Worst forms of Child Labour
  o Other gross Human Rights violations and abuses such as widespread sexual violence
  o War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide

- Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions
- Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain
- Bribery and fraudulent misrepresentation of the origin of minerals
- Money laundering and non-payment of taxes, fees and royalties due to governments.

o The specific responsibilities for assessing the risk that adverse impacts are occurring vary, depending on your supply chain activity:

- **For Bauxite Mining, Alumina Refiners and Aluminium Smelters**, map the <u>factual circumstances</u> of all red-flag supply chains – see below.
  o Remember that a CAHRA does not necessarily map onto national borders. Where a red-flag location relates to a CAHRA, knowing the specific mine location – not just the country – will be important and enable you to assess the risks of adverse impacts associated with the extraction, transport or trade of Bauxite.
- **For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies**, further evaluate the <u>Due Diligence</u> and <u>risk mitigation practices of the Aluminium Smelters</u> in red-flag supply chains. Use your best efforts to:
  o Gain more information on their Due Diligence practices
  o Determine whether they have had their Due Diligence practices independently audited against a Standard that is consistent with the OECD Guidance, and where available, review the results. (For the Aluminium supply chain, programs include ASI Performance Standard, and other programs and tracks recognised by the London Metal Exchange).
  o Review any on-the-ground assessments that have been undertaken by companies involved in primary Aluminium production in these supply chains (see below).
  o Where you have identified risks, proceed to Step 3 to design and implement a strategy to respond to identified risks.

- o **Our company is engaged in Bauxite Mining, Alumina Refining and/or Aluminium Smelting: how do we 'map the factual circumstances' of red-flag supply chains?** Mapping the factual circumstances of red-flag supply chains involves two main activities.

    - ▪ Undertake an <u>in-depth review of the context</u> of all red-flag locations and the Due Diligence practices of any red-flagged suppliers:
        - o Review reports, maps and relevant literature on Bauxite extraction, transport and trade and connections to any of the potential adverse impacts related to CAHRAs
        - o Consult with local and central governments, local civil society organisations, Community networks, UN agencies and local suppliers
        - o Determine if suppliers have Policies and Management Systems that are consistent with the OECD Guidance and are effective.
    - ▪ Conduct <u>on-the-ground assessments</u> for red-flagged Bauxite locations and suppliers to generate and maintain information on how suppliers extract, trade, handle and export Bauxite:
        - o Ensure that assessors are independent from the activity being assessed and do not have conflicts of interest
        - o Ensure the assessors are competent and have appropriate knowledge and skill, including knowledge of Human Rights and conflict-related risks, local language and cultural awareness, and understanding of the Aluminium supply chain
        - o Where you can, help organise access to red-flagged locations and suppliers, and make sure that risks to the assessors themselves when carrying out on-the-ground activities in CAHRAs are also considered and mitigated
        - o You can carry out on-the-ground assessments independently, but where possible seek to establish joint assessment teams with other companies in your sector, or through an industry association or multi-stakeholder initiative, so as to pool your efforts. Make sure that joint work takes into consideration any circumstances that are specific to your company and that you understand that you retain overall responsibility for your Due Diligence processes
        - o Help make on-the-ground assessments available to downstream companies in your supply chains.

What kind of information are we looking for to 'map the factual circumstances' of a red-flagged supply chain?

- Location and identity of Bauxite Mines.
- Current production and capacity of mine(s), and where possible, a comparative analysis to identify any discrepancies (for example, recorded production exceeding known capacity).
- Methods and location of Bauxite transportation.
- Identity of all actors in the upstream supply chain, including Bauxite producers, intermediaries, Traders, exporters and re-exporters, logistics and transportation companies, and security providers. For these:

  - Identify the ownership and corporate structure, including corporate officers and directors
  - Identify related Businesses, subsidiaries, parents and affiliates
  - Check government watchlist information (e.g., UN sanctions lists, OFAC Specially Designated Nationals Lists, World-Check search)
  - Identify any affiliation with the government, political parties, military, criminal networks or non-state armed groups.

- Operating licenses for mining and export.
- Taxes, fees or royalties paid to government, and any other payments or compensation made to government agencies and officials, related to the extraction, trade, transport and export of Bauxite.
- Security services provide at mine sites, transportation routes and all points where Bauxite is handled or processed.
- Militarisation of mine sites, transportation routes, and points where Bauxite is traded and exported.
- Payments made to public or private security forces or other armed groups, or any other forms of direct or indirect support.
- Training, screening and security risks assessments of all security personnel, in accordance with the Voluntary Principles on Security and Human Rights.
- Evidence of any serious Human Rights abuses committed by any party in Bauxite Mines, transportation routes and points where Bauxite is traded and/or processed.

You should consider a 'risk' as being any reasonable inconsistency between the information above and the following:

- Your CAHRAs Policy.
- Applicable Law in the countries where your company is headquartered or operates, or in the countries where Bauxite is produced or transported.
- Legal instruments governing company operations and Business relations, such as financial, Contractor and supplier agreements.
- Other relevant international instruments, including those relating to international Human Rights law.

Where you have identified risks, Step 3 provides guidance on how to design and implement a strategy to respond to the identified risks.

- o **Other considerations:**
  - ▪ Consider how you can integrate internal Management Systems for relevant **ASI Performance Standard** Criteria to address specific risks in CAHRAs, which may include but not be limited to:
    - o Heightened risks of serious adverse Human Rights impacts (see criterion 9.1 on Human Rights)
    - o Heightened risks of Bribery and Corruption (see criterion 1.2 on Anti-Corruption)
    - o Heightened risks associated with use of Security Forces (see criterion 9.9 on Security Practice)
    - o Heightened risks of Child Labour (see criterion 10.2) and Forced Labour (see criterion 10.3)
    - o If there are FPIC (see criterion 9.4) processes being undertaken, consider any implications for the "Free" component in the presence of conflict, including military, paramilitary, police or armed security presence in Indigenous Peoples' territories.
  - ▪ Do not automatically disengage from a supplier or source if it is deemed high risk or has a red flag.
    - o First engage with suppliers and adopt risk mitigation strategies where possible and appropriate (Step 3), before considering suspending or terminating a Business relationship.
    - o Remember that sourcing from CAHRAs can play an important role in supporting livelihoods and economic growth in these areas – when supported by a responsible sourcing program anchored in Due Diligence.

For 9.8(c) OECD Step 3 – Design and implement a strategy to respond to identified risks

- If your Step 2 processes did not identify any actual or potential risks, criterion 9.8c can be rated as Not Applicable, noting the reason.
- If your Step 2 processes identified actual or potential risks, you will need to design and implement a strategy to respond to these under Step 3, in order to prevent or mitigate adverse impacts.

  - o Companies may co-operate on Step 3 actions through joint initiatives. However, companies retain individual responsibility for their Due Diligence and should ensure that any joint work takes into consideration their specific circumstances.

- The OECD Guidance notes that:

  - o Responsibility for determining the actions that an individual company undertakes in response to identified risks rests with the company's management
  - o The measures that a company takes to conduct Due Diligence should be commensurate to the severity and likelihood of the identified risks
  - o Use good faith and reasonable efforts in your Due Diligence, taking into account factors such as the size of your company, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved.

- *Step 3A: Report findings to designated senior management*

- o Outline the information gathered and the actual and potential risks identified from the risk assessment carried out in Step 2 and report this to senior management.

- Step 3B: *Devise and adopt a risk management plan*

  - o **Where actual or potential risks are identified under Step 2:** devise a strategy for risk management by either:

    I. Continuing trade throughout the course of measurable risk mitigation efforts

    II. (Temporarily suspending trade while pursuing ongoing measurable risk mitigation

    III. Or disengaging with a supplier after failed attempts at mitigation or where you deem risk mitigation not feasible or unacceptable.

  - o The response you decide on (i, ii or iii) depends on the type of risk identified, as well as your ability to influence the supply chain.

    - ▪ Table 4 below provides guidance on the appropriate response in accordance with the OECD Guidance Annex II Model Supply Chain Policy, which your CAHRAs Policy in Step 1A should be aligned with.

    - ▪ Factors such as the severity and probability of an adverse impact are important in determining the scale and complexity of the response.

    - ▪ If you have identified an actual adverse impact, you will need to take steps to resolve the issue and mitigate the impact. Serious impacts require immediate action.

    - ▪ If you have not identified an actual impact but can see that there is potential for an adverse impact, you will need to take preventive measures.

  - o When designing mitigation measures after identifying an actual or potential risk:

    - ▪ Consult OECD Guidance Annex III Suggested Measures for Risk Mitigation and Indicators for Measuring Improvement

    - ▪ Reach out to companies and organisations in your supply chain that can most effectively and directly mitigate the identified risk

    - ▪ Where possible and appropriate, consult affected Stakeholder groups – such as local and central government authorities, international or civil society organisations, and affected third parties – before agreeing a risk mitigation plan

    - ▪ Recognise that your plan may need to adapt to changing circumstances (see Step 3D).

  - o Consider how to further strengthen engagement with high-risk suppliers and enhance internal systems established under Step 1.

  - o In all cases, develop a risk management plan that is appropriate to your size and realistic ability to implement it.

Table 4 - Appropriate response where you identify a reasonable risk of adverse impacts under Step 2 (based on the OECD Guidance Annex II Model Supply Chain Policy)

Identified risk of adverse impact	Appropriate response (Annex II)

Serious abuses associated with the extraction, trade and transport of Bauxite/minerals: • Any forms of torture, cruel, inhuman and degrading treatment • Any forms of Forced Labour • Worst forms of Child Labour • Other gross Human Rights violations and abuses such as widespread sexual violence • War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide. Direct or indirect support to non-state armed groups carrying out illegal activities as identified through UN Security Council resolutions	*For Bauxite Mining, Alumina Refiners and Aluminium Smelters*, take immediate steps to suspend or disengage from the relevant suppliers. Mitigate adverse impacts where possible. *For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies*: take immediate steps to disengage with an Aluminium Smelter, if the smelter has not suspended or discontinued engagement with its suppliers where reasonable risks exist of serious abuses associated with the extraction, trade and transport of Bauxite, or direct or indirect support to non-state armed groups.
Direct or indirect support to public or private security forces that illegally control, tax or extort money from mine sites, transportation routes or at points along the upstream supply chain Bribery and fraudulent misrepresentation of the origin of minerals	Continue or temporarily suspend trade with the relevant suppliers and implement measurable mitigative actions. Suspend or disengage if mitigation measures are ineffective.
Money laundering and non-payment of taxes, fees and royalties due to governments.	Support efforts or take steps to contribute to the effective elimination of money laundering. Support efforts for disclosure in accordance with the principles of the Extractive Industries Transparency Initiative (EITI).

- *Step 3C: Implement the risk management plan and track performance*

  o Implement the risk management plan developed in Step 3B and monitor and track performance of risk mitigation efforts.

    ▪ Where appropriate, co-operate or consult with Aluminium Smelters, common suppliers, local and central authorities and other relevant Affected Organisations and Populations in CAHRAs.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   159
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

- For companies engaged in Bauxite Mining, Alumina Refining and/or Aluminium Smelting, consider establishing or supporting Worker or Community-based networks to help monitor risk mitigation.
- For Aluminium Re-melters/Refiners and Post-Casthouse (downstream) companies that have Aluminium Smelters engaging in risk mitigation in their supply chain, track the implementation of their risk management plans.

o Build and/or exercise leverage over the actors in the supply chain who can most effectively and most directly prevent and mitigate the risks of adverse impacts and help to improve performance. For example:

- Include Due Diligence performance into contracts (where applicable)
- Work through industry associations and multi-stakeholder initiatives
- Support development and implementation of capacity building and training
- Take due account of the social and economic effects of Due Diligence and risk mitigation efforts, particularly on developing countries.

o Report risk management and mitigation performance regularly to designated senior management.

- Measurable risk mitigation should result in significant and measurable improvement towards eliminating the identified risks within six months from the adoption of the risk management plan.
- If there no such measurable improvement within six months companies should suspend or discontinue engagement with the supplier for a minimum of three months.
- Remember that for serious abuses, immediate suspension or disengagement with suppliers would apply, but mitigation efforts can also be implemented if appropriate.
- Consider whether there are circumstances which require your efforts to be adjusted or strengthened (Step 3D).

- *Step 3D: Undertake additional assessments for risks requiring mitigation, or after a change of circumstances*

o Supply chain Due Diligence is a dynamic process and requires on-going risk monitoring. Continue to monitor:

- The identified risks to evaluate your plan's performance and effectiveness
- The risk mitigation efforts being undertaken by others where relevant
- Evolving information about the situation and the CAHRA where relevant.

o Adapt your risk management strategy to any changes in circumstances – whether on the ground or in your supply chain (such as changed suppliers).

- Remember that such changes may mean you need to update or undertake additional Step 2 assessments, and/or update your Step 3 risk management plan, to identify, prevent or mitigate adverse impacts.

o If after reasonable efforts, your risk management and mitigation plan does not produce the desired outcomes, consider disengaging from the relevant supplier.

For 9.8(d) OECD Step 4 – Carry out independent third-party audit of Due Diligence practices

- _Your Due Diligence practices will be audited as part of the normal process for ASI Certification against the **ASI Performance Standard**, which means that 9.8d itself will be rated as a Conformance, without the need for an additional audit. Conformance ratings for the other parts of 9.8 will then be determined by ASI Auditors._

   - _ASI recognises that the OECD Guidance is new for most Aluminium supply chain participants. The OECD Guidance is being formally implemented for the first time in the Aluminium supply chain as follows:_
   - _For ASI Members, the **ASI Performance Standard** is available for implementation from February 2022 [target publication month and year, final date tbc]. In 2019, ASI committed to align with the OECD Guidance as part of the 2020-2021 Standards Revision. ASI's OECD Alignment Assessment, designed to assessment alignment with the OECD Guidance, is scheduled to be concluded before December 2022._
   - _The London Metal Exchange (LME) Responsible Sourcing Rules for listed brands will apply to all brands listed for good delivery on the LME against physically settled contracts for Aluminium (LME Aluminium, LME Aluminium Alloy, and North American Special Aluminium Alloy Contract ("NASAAC")._

      - _LME listed brands choosing Track A (audit against a recognised alignment-assessed standard) must complete their first audit by 31 December 2023. ASI's status as an LME recognised Track A standard will be published on the LME website, in accordance with the outcomes of the OECD Alignment Assessment. Once ASI becomes a recognised track A Standard, the confirmation for the LME will be the ASI Performance Standard (V3) Certificate and Summary Audit Report from the ASI Entity (LME brand)_
      - _LME listed brands choosing Tracks B or C (audited or published red-flag assessment track) must submit their first audit results or completed LME red-flag assessment to LME by 30 June 2022, for a first reporting period of January-December 2021 (or adjusted to align with their regulatory reporting year)._

   - _Other programs may also be developed to implement the OECD Guidance in the Aluminium supply chain._

- During the **ASI Performance Standard** Audit, ASI Auditors will look to verify that you have made reasonable and good faith efforts to implement criterion 9.8 based on a continual improvement approach.

   - If your risk-based Due Diligence processes are still at an early stage of development and implementation – resulting in little information to date on sources – conformance can still be achieved where you can show you have effective Management System processes in place and plans for improvement.
   - Subsequent Audits will then assess whether you can demonstrate that improvement over time.

- As per the OECD Guidance, you can assist the audit process by:

- o Allowing access to relevant company sites, personnel, and documents and records for your Due Diligence processes.
- o For Bauxite Mining, Alumina Re-melters/Refiners and Aluminium Smelters in connection to red flags and CAHRAs, facilitating access to suppliers, transporters, and other relevant Affected Populations and Organisations, including on-the-ground assessment teams where applicable.

- **For Aluminium Smelters**, which are considered a 'choke point' under the OECD Guidance as a control point between mines and metal production and a particular focus of OECD Step 4 audits, it is important to note that the Audit Scope should include all Business activities and Management Systems that implement Due Diligence for Bauxite from CAHRAs.
- **For Aluminium Re-melters/Refiners that source primary Aluminium, and Post-Casthouse (downstream companies),** outside of your own ASI Audit, consider how you could encourage Aluminium Smelters to carry out an independent third-party 'Step 4' audit, against a standard or program that is consistent with the OECD Guidance (such as ASI's or LME's programs).

<u>For 9.8(e) OECD Step 5 – Report annually on supply chain Due Diligence</u>

Public reporting and disclosure promote transparency and generate public confidence in the measures that companies are taking to address risks associated with CAHRAs. Annual reporting enables Stakeholders to assess how Due Diligence processes are implemented over time.

- Publicly report on your Due Diligence systems and practices for criterion 9.8 at least once per year. This could be through one or more of:

  - o Your website
  - o Annual sustainability or corporate responsibility reports
  - o Aligned with your other reporting processes under criterion 3.1 (Sustainability Reporting).

- Be practical in how you format your Due Diligence reporting, and match the level of detail with:

  - o The level of risk in your supply chain.
  - o The scale and impacts of your Business.

- See Table 5 for what to include in your reporting under OECD Step 5, according to the OECD Guidance.

Table 5 - What to include for annual reporting under OECD Step 5

OECD Step	Reporting information to include
For Bauxite Miners, Alumina Refiners and Aluminium Smelters	
Step 1: Management systems	• Summarise or link to your CAHRAs Policy • Explain the management structure and responsibilities for the company's Due Diligence

	• Describe your internal control systems, processes for information collection and record-keeping
Step 2: Risk assessment	• Summarise steps taken to identify red flag locations or suppliers
	Where also carrying out Step 2B: • Describe any red flags identified in your supply chains and steps taken to map the factual circumstances • Outline the methods, practices and information yielded by on-the-ground assessment teams • Disclose any high risks identified (within your existing supply chains)
Step 3: Response	*Where also carrying out Step 3:* • Summarise steps taken to manage risks and mitigate adverse impacts • Disclose efforts to monitor and track performance for risk mitigation, and evaluation of measurable improvement after six months • Outline the number of instances where you decided to disengage with suppliers and/or supply chains (without necessarily disclosing the identity of suppliers)
For Aluminium Re-melters/Refiners that source Primary Aluminium and Post-Casthouse (downstream) companies	
Step 1: Management systems	Summarise or link to your CAHRAs Policy • Explain the management structure and responsibilities for the company's Due Diligence • Describe your processes for information collection and record-keeping
Step 2: Risk assessment	Summarise steps taken to engage with suppliers and identify Aluminium Smelters in your supply chain • Describe how you assessed these smelters' Due Diligence practices
	Where also carrying out Step 2B: • Summarise your methods for supply chain risk assessments

	• Disclose any high risks identified (within your existing supply chains)
Step 3: Response	*Where also carrying out Step 3:* • Summarise steps taken to manage risks and mitigate adverse impacts • Disclose efforts to monitor and track performance for risk mitigation, and evaluation of measurable improvement after six months

Overall summary of the OECD five-step framework and checklist:

OECD Step	Checklist	
	Bauxite Mining, Alumina Refiners and Aluminium Smelters	*Aluminium Re-melters/Refiners sourcing Primary Aluminium, and Post-Casthouse (downstream) companies*
Step 1	✓ Have you developed a CAHRAs Policy and made it publicly available? ✓ Have you communicated the Policy internally and with suppliers? ✓ Have you made a senior manager responsible for your Due Diligence? ✓ Have you made the necessary resources available to support Due Diligence? ✓ Have you developed systems and processes for collecting information from suppliers and sharing information with customers? ✓ Do you have a complaints or grievance mechanism in place?	
Step 2	✓ Have you identified any 'red flags' in your supply chain? ✓ If yes, have you mapped the factual circumstances of these red flags? ✓ From this, have you identified any actual or potential risks? ✓ If there are no red flags identified, proceed to Step 4.	✓ Have you identified the Aluminium Smelters in your supply chain? ✓ Are you satisfied that the smelters in your supply chain have carried out Due Diligence in a way that is consistent with the OECD Guidance? ✓ If you are unable to identify the smelters in your supply chain yet, have you made plans to address this over time? ✓ Where there are 'red flags' in your supply chain, does the Due Diligence information provide adequate detail on the circumstances?

		✓ If there are no red flags identified, proceed to Step 4.
Step 3 (actual or potential risks identified)	✓ Have you shared the results of your risk assessment with senior management? ✓ Have you outlined your response to identified risks in a risk management plan? ✓ Have you strengthened engagement with suppliers? ✓ Are you monitoring the performance of your risk mitigation efforts? ✓ Are you adapting your risk assessment and management plan to changing circumstances?	
Step 4	✓ Are you prepared to be audited against criterion 9.8 as part of the ASI Audit?	✓ Are you prepared to be audited against criterion 9.8 as part of the ASI Audit? ✓ Have you encouraged the smelters in your supply chain to be audited against a standard that is consistent with the OECD Guidance?
Step 5	✓ Are you reporting publicly, on at least an annual basis, on your implementation of the OECD Guidance?	

9.9 Security practice

In line with recognised Standards and good practices, the Entity shall respect Human Rights in its involvement with private, including in-house, and public security providers.

Application

This criterion applies to all Facilities.

Background

The primary role of security providers is the protection of people, property and other tangible or intangible assets.

Affected Populations and Organisations

- Criterion 9.4: Any new or expanded presence of armed security or the military (and the location of any associated camps) in Indigenous Peoples territories must be addressed as part of FPIC processes.

Implementation – Risk assessment

- Commensurate with the size and scale of security at an operation, consider:

- o Risk assessment that includes (adapted from [Voluntary Principles on Security and Human Rights](#)):

    - Risks associated with political, economic, civil or social factors.
    - Potential for violence.
    - Human Rights records of public security forces, paramilitaries, law enforcement, and private security.
    - Local prosecuting authority and judiciary's capacity to ensure accountability.
    - Conflict analysis with identification of the root causes of conflicts and level of adherence to Human Rights standards.
    - Risks associated with the transfer of lethal and non-lethal equipment to security providers.

- o Where security personnel are engaged, screening in-house, contracted, and public security for complicity in past Human Rights violations
- o Hiring and contracting only unarmed security
- o Training private security and public security (where public security is called in to assist in operations) in de-escalation and rights-respectful security practices
- o Prohibiting the use of deadly force except to prevent immediate loss of life
- o Establishing a grievance mechanism for complaints against security practices and personnel
- o Investigate all allegations of Human Rights abuses by security personnel. (adapted from [EBRD Standard](#)).

- Criterion 2.6: the presence of security providers could be addressed in Human Rights Impact Assessments, including potential impacts on women.

Implementation - Policies

- Where public or private security forces are used, consider establishing a written Policy or agreement   on the conduct of security personnel.

    - o It could establish the importance of respect for Human Rights, the boundaries of security activities, appropriate Procedures for managing security issues and conflicts, and the consequences of any Human Rights abuses. This could be stand-alone, or part of a broader Policy on Human Rights (see criterion 9.1), depending on the use of security providers and associated risks.
    - o Certain situations may require that security personnel be armed, and this may be determined by the security provider in accordance with their own risk assessments. Any armed personnel must be properly trained and licensed in accordance with Applicable Law.
    - o Avoid public or private security forces that have been credibly implicated in Human Rights abuses. Regularly review internal security personnel and providers for any emerging risks.
    - o Make your Policy public and/or inform security providers, Stakeholders and host governments of your commitments, as appropriate.
    - o Put arrangements in place for monitoring performance against the Policy, and for investigations and disciplinary actions, which may include reporting to relevant authorities.

Further reading

The Voluntary Principles on Security and Human Rights were developed to guide companies in maintaining the safety and security of their operations within a framework of respect for Human Rights. These could be considered the relevant 'recognised standards and good practices' referred to in criterion 9.9. The Principles:

- o Address risk assessment, relations with public security and relations with private security.
- o Call for a regularly updated security risk assessment, and the engagement of Local Communities in security issues.
- o Stipulate that private security should only provide preventative and defensive services and should not engage in activities exclusively the responsibility of state military or law enforcement authorities.
- o State that adequate and effective training of security personnel should be in place on the relevant Principles and the company's own Policies regarding appropriate conduct and the local use of force.

For more guidance on security practices, consult available references including the Voluntary Principles on Security and Human Rights, and the International Code of Conduct for Private Security Service Providers (ICoCA).

10. Labour Rights

Principle

The Entity shall uphold decent work and the Human Rights of Workers and treat them with dignity and respect, in line with the ILO Core Conventions and other relevant ILO Conventions.

Background

Decent work has become a universal objective and has been included in major Human Rights declarations, UN Resolutions and outcome documents from major conferences, including the Universal Declaration of Human Rights (1948), the World Summit for Social Development (1995), and the UN's 2030 Agenda for Sustainable Development (2015).

The International Labour Organisation (ILO) has set four pillars for their decent work agenda, with gender equality as a cross-cutting objective:

- Creating jobs – an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods
- Guaranteeing rights at work – to obtain recognition and respect for the rights of Workers. All Workers, and in particular disadvantaged or poor Workers, need representation, participation, and laws that work for their interests
- Extending social protection – to promote both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare
- Promoting social dialogue – involving strong and independent Workers' and employers' organisations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

The ILO 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy' (MNE Declaration) is the only ILO instrument that provides direct guidance to enterprises on social Policies and inclusive, responsible and sustainable workplace practices. It is the only global instrument in this area that was elaborated and adopted by governments, employers and Workers from around the world. Its principles cover areas such as employment, training, conditions of work and life, and industrial relations as well as general Policies. All principles build on International Labour Standards (ILO Conventions and recommendations). The MNE Declaration facilitates outreach and understanding of the decent work agenda in the private sector, as highlighted in the ILO Declaration on Social Justice for a Fair Globalization. Voluntary initiatives founded on the principles and conventions of the ILO include SA8000 and the ETI Base Code.

In 2022, the UN Global Compact has launched its Business & Human Rights Navigator. This resource provides users with guidance from experts and analysis of key Human Rights issues, Due Diligence issues, as well as case studies illustrating how other organisations have responsibly addressed their Human Rights impacts.

Implementation

10.1 Freedom of Association and Right to Collective Bargaining.

The Entity Shall:

a. Respect the rights of Workers to form or join Labour Unions or other Associations to Collective Bargain within the bounds of Applicable Law. The decision whether to join a Labour Union or other association shall be made solely by the Worker.

b. Respect the rights of Workers to Collective Bargaining, participate in any Collective Bargaining process in good faith, and adhere to Collective Bargaining agreements where such agreements exist.

c. Respect that Labour Unions or other associations have the right to:

   i. Develop their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programs to the extent possible under Applicable Law.
   ii. Organise.
   iii. Within the bounds of Applicable Law, Collectively Bargain on behalf of the Workers.

d. Where an Entity operates in a country where Applicable Law restricts the right to Freedom of Association and Collective Bargaining: promote 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 with the participation of freely elected worker representatives engaged in a regular and formalised process.

Application

Criterion 10.1(a)(b) and (c) apply only in countries where the right to Freedom of Association and Collective Bargaining are not restricted.

Criterion 10.1(d) applies only in countries where the right to Freedom of Association and Collective Bargaining are restricted.

Background

- The right to Freedom of Association is proclaimed in the Universal Declaration of Human Rights. Within the ILO framework, it is considered an enabling right, meaning that it enables Workers and employers to protect and advance their interests in other categories of labour and employment issues. This gives Freedom of Association an important place among ILO standards.
- Collective Bargaining is a voluntary process that takes place between representatives of Workers and representatives of employers. It usually focuses on the negotiation of terms and conditions of employment, such as wages, working hours, conditions, grievance Procedures, and the rights and responsibilities of each party. Once a collective bargaining agreement is reached – whether at a company, sector or national level – it should be implemented within the Business.

Implementation

- At work, Freedom of Association means the right to freely form Labour Unions or Workers organisations, without the interference of the employer.

- Workers' representatives need to have access to Facilities needed to carry out their functions in the workplace. This includes access to designated non-work areas during organizing efforts for the purposes of communicating with Workers.
- Companies need to remain neutral in any legitimate unionizing or Worker organizing effort.
- Upon employment, companies need to inform Workers of their rights under Applicable Law and employment law and any applicable collective agreements; and that they are free to join a Workers' organization of their choosing without any negative consequences or retaliation.
- Those Workers who do not wish to join such organisations also have their rights protected and may not be coerced into doing so against their will.
- Freedom of Association does not mean that employers should organise workforces or invite Labour Unions into the workplace. It means that employers must not interfere in a Worker's decision whether to join a Labour Union. Not only are Workers free to form or join organisations of their own choosing (freedom of choice), but they are also free to determine all aspects of their Policies, programs, strategies, etc., within the limits of the law, and without employer interference. Note that employers being asked to provide general administrative or logistical support would not be considered 'interference'.
- o In addition, employers must not discriminate against the Worker for their choice. ILO Convention No. 98 includes protection against anti-union Discrimination. Anti-union Discrimination includes any action that makes a Worker's employment dependent on giving up Labour Union membership or not joining a Labour Union. It also includes actions that cause the dismissal or prejudice a Worker because of Labour Union membership or participation in Labour Union activities.
- o When participating in collective bargaining, the employer should negotiate and bargain in good faith, which involves a willingness to discuss, compromise and reach a mutually agreed solution.
- o Companies need to engage with Workers' representatives and Workers' organisations and provide them with information needed for meaningful negotiation in a timely manner.
- o Where a company is a party to a Collective Bargaining agreement with a Workers' organization, the terms of the agreement need to be respected.
- o Short-term contracts or other measures are not to be used to undermine a Collective Bargaining agreement or Worker organizing effort, or to avoid obligations to Workers under Applicable labour and social security Laws and regulations.
- o Hiring of replacement Workers should not be used as a strategy to prevent or break up a legal strike, support a lockout, or avoid negotiating in good faith. However, replacement Workers may be used to ensure that critical maintenance, health and safety, and environmental control measures are maintained during a legal strike.

- How Freedom of Association and the right to Collective Bargaining are specifically applied in practice is set through Applicable Law and may vary across jurisdictions.

- o Countries where Freedom of Association is currently restricted by Applicable Law include but are not limited to: the Gulf States, including Qatar, Saudi Arabia, and United Arab Emirates where

Labour Unions are banned completely; and China and Vietnam, where Labour Unions are government controlled and not independent (Sedex Supplier Workbook, Chapter 1.3 Freedom of Association and Collective Bargaining, 2013).

o   In some countries, Freedom of Association may have restrictions in special economic zones, or for some categories of Workers such as Migrants. In these types of situations, employers should consider how to engage with freely elected representatives of the workforce in internal committees dealing with such issues as health and safety, Harassment or Migrant Workers' housing.

Implementation – Resources

- Where the right to Freedom of Association and Collective Bargaining is restricted, employers shall respect and support legal alternative means for Workers to associate. Companies must not pressure Workers to join a company-controlled organisation in place of an organisation created and controlled by Workers. Some possible means that may be utilized include:
    - o   Joint health and safety committees
    - o   Worker representatives who liaise between Workers and management (these representatives shall not be appointed by management)
    - o   Effective means of communication to raise issues or concerns. They include, but are not limited to:

    - A worker grievance procedure
    - A physical complaint box which workers can easily reach at any time
    - An electronic mailbox, which workers can email, can be an alternative form of complaint channel
    Workers should receive a response in a timely manner depending on the urgency and severity of the issues raised. Ineffective communication means there is a communication channel in place, but it is not effectively used (e.g., workers are not aware of the channel).

    - Employee 'town hall' meetings where concerns may be raised to management
    - Trade unions, as allowed under the law.
- Activities that could hinder Freedom of Association and the right to Collective Bargaining, include the employer:
    - o   Establishing or supporting a company union for the purpose of undermining legitimate Worker representation
    - o   Opposing a legitimate unionising or Worker-organisation effort
    - o   Producing and/or distributing materials meant to disparage legitimate Labour Unions
    - o   Discriminating against Labour Unions or their affiliate Workers
    - o   Imposing sanctions on Workers who are organising a strike or participating in a strike
    - o   Hiring replacement Workers in order to prevent or break up a legal strike (with the exception of the maintenance of critical health and safety, and environmental control measures, or any other legally prescribed activities to be maintained)
    - o   Supporting a lockout or avoiding negotiating in good faith.

Auditing

Where 10.1(d) is applicable the Auditor must state that Freedom of Association and Collective Bargaining is restricted by Applicable Law in the country, and provide the alternative method(s) used by the Entity to demonstrate Conformance to the criterion in the Public Headline Statement.

External links

[ETI Guidance on Freedom of Association in Company Supply Chains](#)

United Nations (UN) [Global Compact Principle 3 – Freedom of Association and Collective Bargaining](#).

For more guidance on progressing worker representation, consult available references including the [Ethical Trade Initiative's](#) guidance.

10.2 Child Labour

The Entity shall ensure:

a. That all Workers are over the age of 15 years.

b. Work for 15 through 18-year olds is not exploitive, Hazardous or interfering with schooling and apprenticeship programs.

c. That there are no instances of the Worst Forms of Child Labour that are likely to harm the health, safety or morals of any child under 18.

Application

This criterion applies to all Facilities.

Background

Child Labour is one of the most high-profile and widely condemned social performance issues. It refers to work that interferes with children's schooling and/or that is mentally, physically, socially or morally dangerous and harmful.

Implementation

- The minimum age relating to Child Labour is considered to be 15 years, or the minimum age as specified in Applicable Law, whichever is higher.
- In the context of hazardous work (Hazardous Child Labour), the minimum age is considered to be 18 years. Hazardous work is usually determined under Applicable Law, but generally includes:

- o Work underground, under water, at dangerous heights or in confined spaces;
- o Work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- o Work in an unhealthy environment, which may expose children to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to their health;
- o Work for long hours or during the night, or work where the child is unreasonably confined to the premises of the employer.

- Worst Forms of Child Labour in industrial supply chains include Hazardous Child Labour (above), as well as child slavery and practices similar to child slavery, including Debt Bondage, the trafficking of children, forced Child Labour and the use of children in armed conflict.

Implementation – Risk assessment

- To implement this criterion, consider conducting a risk assessment appropriate to the Business' circumstances to assess where there may be a risk of Child Labour. Issues to assess may include:

  - o Areas of hazardous labour, mapping current Worker ages against tasks;
  - o Contractors working at your Facilities;
  - o Migrant Workers and availability of personal identity information;
  - o Relationships with suppliers/sub-Contractors as a potential supply chain risk (see also criterion 9.1 Human Rights Due Diligence);
  - o Procedures for verifying age prior to recruitment.

- Actions to control risks could include, where relevant:

  - o Age assessment or verification;
  - o Strengthening hiring Policies to prevent Child Labour;
  - o Training for human resources managers;
  - o Addressing hazards in the workplace (for example, for young Workers);
  - o More generally, improving wages for adults such that families do not need the income from children and can support further education.

- Where instances of Child Labour are found, these require considered responses that take account of local circumstances and Applicable Law. Consider:

  - o If children are found to be performing work, or tasks that are dangerous, harmful or inappropriate considering their age, they must be removed from these functions immediately. Ensure they are removed safely, reunited with their family or guardian and provided with any care they need, such as health care of psycho-social assistance. Some situations may need to be reported to relevant authorities.
  - o Remediation actions should include, at minimum, the provision of financial and/or other support to enable children to attend and remain in quality education until they complete compulsory education, and steps for the continued welfare of the child, taking into account the financial situation of the child's family. Involving public or non-governmental service providers may be advisable.

- o The key is for children to have access to good quality education with real prospects of meaningful employment when they leave school. This is especially important where there is the risk that those children, if simply withdrawn from employment, may work for other organisations with uncontrolled working conditions or in less visible parts of the informal economy.
- o Consider supporting community development programs aimed at eradicating the root causes of Child Labour. These can usually only be implemented in co-operation with other agencies such as national or local government, international institutions such as the ILO, Labour Unions, civil society and community groups.
- o Ensure that such situations do not recur within the company. Revisit your risk assessment and consider where controls need to be strengthened to prevent a recurrence.

External links

ILO Employers' and Workers' Handbook on Hazardous Child Labour;

International Finance Corporation (IFC) Performance Standard 2 – Guidance Note;

ILO Checkpoints application;

ILO Child Labour Guidance Tool for Business;

UNICEF Children's Rights and Business Principles;

Human Rights Compliance Assessment Tool – Part 2.3 Child Labour and young workers, by The Danish Institute for Human Rights.

10.3 Forced Labour

The Entity shall:

a. Neither engage in nor support the use of Forced Labour.

b. Neither directly, nor 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 either directly or through employment or recruitment agencies.

    III. Require Migrant Workers to lodge deposits or security payments at any time.

    IV. Hold Workers in Debt Bondage or force them to work in order to pay off a debt.

    V. Restrict the freedom of movement of Workers in the workplace or in on-site housing unless legal, 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.

c. Publicly disclose an annual Modern Slavery Statement detailing their actions to address modern slavery.

Application

This criterion applies to all Facilities.

Background:

- Forced Labour is a global problem that exists in industrialised as well as developing countries, in formal and informal economies, in global supply chains of multinational companies, as well as in small and medium sized enterprises. According to ILO estimates, at least 21 million people worldwide are victims of Forced Labour, the majority of which are exploited by private agents.
- Forced Labour can take many forms. It includes situations where Workers cannot leave their job without facing a penalty or a threat of penalty of any kind. The penalty could mean physical constraint or punishment, but could also refer to threats of deportation, restricting Workers' movements, the confiscation of passports, loans and/or wage advances, excessive interest rates, deception in wage payments, illegal deductions, charging of security deposits, inflated pricing/charges at company stores, or the non-payment of wages that effectively binds a Worker to a job or employer.
- Migrant Workers are particularly Vulnerable or At-Risk to Forced Labour, as are other minorities, including Indigenous Peoples. They may have illegal or restricted employment status, may be economically Vulnerable or At-Risk, or may be members of an ethnic group subject to Discrimination. These factors can be used unfairly by coercive recruiters or labour intermediaries,

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   176
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

who remove identity documents and threaten Workers with public exposure or deportation. In these situations, Migrant Workers and other minorities may accept sub-standard conditions of work such as Debt Bondage or indentured labour. Verité research has shown that Workers will go to great lengths to snag promising jobs, no matter where they are located. Often Workers become indebted to middlemen – labour recruiters and moneylenders – whose practices can be exploitative and illegal and it becomes difficult or impossible to come out on top. These Workers can become trapped because:

- o The job probably won't pay what the recruiter promised
- o They don't often know about the compound interest on their debt, which increases every month
- o There are illegal wage deductions and unexpected fees
- o Their passports may be taken away so that they can't complain or flee
- o Their work visas will tie them to their employer, giving them no other alternative way to dig themselves out of debt
- o They may end up for months or years in slave-like conditions or Debt Bondage.

- Human Trafficking can lead to Forced Labour and in recent years has taken on new forms and dimensions, often linked to developments in information technology, access to transport and organised crime. Companies can be directly linked to Human Trafficking through the recruitment, transport, harbouring or receipt of a trafficking victim. However, companies can also be indirectly linked to trafficking through the actions of their suppliers or Business partners, including sub-Contractors, labour brokers or private employment agencies.
- ASI has a clear position that Workers should not pay any form of Recruitment Fees, Costs or Charges to secure employment. All costs of recruitment should be borne by the employer. This should include those directly hired and employed by the company but also those working on company sites under outsourced staffing arrangements for instance via employment agencies.

Implementation

- Note that compulsory Overtime required to meet production deadlines is not considered Forced Labour if it stays within the limits permitted by Applicable Law or agreed to in collective agreements.
- Special care should be taken to ensure gender is not used as a means to restrict movement of Workers
- Reasonable restriction in 10.3 (b)(v) may be necessary in cases where:

- o Emergency situations are occurring where for the protection of the health and safety of the worker, or other workers, they may be required to be confined to an area e.g., isolation/quarantine in a pandemic/outbreak or safe rooms during a release of hazardous materials;
- o There is a requirement for continuous production;
- o Health and safety controls require a person to be prohibited from entering an area for the protection of their, or others, health and safety e.g., access to an area requires training/competency requirements to be fulfilled before entering or access to a site is prohibited if a person is sick;

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

177

- The Local Community needs to be protected from in migration issues;
- It should be noted that these restrictions would normally be documented in emergency response or site/region access procedures and be inclusive of all personnel;
- Further information on Recruitment Fees, Costs and Charges can be found in the [ILO General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs](#).

Implementation - Resources

- Companies should consider giving appropriate training to staff responsible for hiring. This Ies prohibiting the soliciting or acceptance of any payment or bribe from job seekers or from labour or recruitment agencies by anyone employed by the Entity and making it a disciplinary offence.

- Should Entities find that Workers have paid any Recruitment Fees, Costs or Charges, they should consider having them be re-imbursed.

Implementation – Risk assessment

- Consider conducting a risk assessment appropriate to the Business' circumstances to assess where there may be a risk of Forced Labour or Human Trafficking. These risk assessments should be regular and ongoing, undertaken whenever the risks may change, such as when starting a new Business relationship or operating location, or facing a Major Change in operations or operating environment. Issues to assesInclude:

  - The use of Contractors, suppliers, recruitment agencies and labour providers. IndicatI risk include Recruitment Fees, Costs or Charges charged to Workers, passport retention, deception in wage payment, loans offered to Workers, oIher practices which have the potential to bind the Worker to the agency. Use only employment and recruitment agencies that are licensed or certified by the competent authority
  - Where Migrant Workers are employed, examine the process of recruitment to ensure that there is no form of coercion involved, and no requirement for the Workers to lodge a deposit or security fee
  - Check that regular wage payments made to Workers cannot be supplanted by in-kind Remuneration
  - Check that wages are not deducted as punishment
  - Check that paid sick and family leave is granted in line with Applicable Law
  - Check that compulsory labour is not used as punishment for a strike
  - Check that freedom of movement of Workers in workplaces or on-site housing is not unreasonably restricted
  - Where locked doors or security measures are in place to protect people and property, ensure that this is in the context of work that is undertaken voluntarily
  - Where originals of identity papers, work permits, travel documents or training certificates need to be kept for security or legal purposes, ensure this is a temporary arrangement and is with the agreement and understanding of the Worker. The Worker should have ready access to their documents and the right to take them back into their possession at any time

- o If loans are made to Workers, check whether they may create situations of Forced Labour if Workers are not able to meet the repayments. Indicators of risk are high rates of interest, very long repayment terms, or fraud used by the employer or agency to deceive the Worker or artificially inflate the debt.
- o Assess the risk to Migrant Workers after being charged Recruitment Fees, Costs or Charges. This is distinct from assessing any risks to the Business.
- o Ensure a range of internal and external sources are used to inlhe assessments, including issues raised by NGOs or Labour Unions, news or expert reports, and cases arising via grievance mechanisms
- o .Workers must not be forced to buy provisions or services from their employer or workplace. This can be a risk indicator of Forced Labour. Where there is a company store, or similar, goods need to be sold at fair and reasonable prices, and not inflated to increase profit, nor with the intention to indebt Workers.

- Actlons to control risks could include, where relevant:

- o Strengthening hiring Policies or Codes of Conduct to prevent Forced Labour and Human Trafficking. Consider how to explicitly address the risks of Forced Labour and Human Trafficking in hiring and recruitment, and in particular those risks faced by Migrant Workers. Policies should apply to first-tier suppliers, sub-Colors, and Business partners, including employment or recruitment agencies, integrating them into Business contracts where appropriate
- o RI awareness and building capacity, including training for human resources managers. Companies should train managers, human resource and corporate social responsibility personnel, internal auditors, and other relevant company staff on how to identify the red flags linked to Human Trafficking and Forced Labour. Good and bad practices in recruitment and hiring should be identified and effective corrective action and remediation plans should be discussed. Complnies lhould raise awareness of the risks and issues internally, and work with suppliers to do the same throughout the slchain
- o Carrying out broader Due Diligence, including enterprise audits or assessments of suppliers and/or employment and recruitment agencies. Consider whether new assessment and compliance strategies may be needed to effectively audit labour brokers and the private employment agencies used by their suppliers. Measures to assess redl should be present throughout the supply chain, including top tier suppliers, their sub-Contractors, and employment or recruitment agencies
- o Putting in place grievance or Complaints Resolution Mechanisms to enable affected Workers to raise issues and to provide access to remedy (see also criterion 9.1 on Human Rights Due Diligence). Corrective action plans should provide for the full protection of the Worker(s) concerned, and measures should be taken to support their rehabilitation, repatriation (if desired by the Worker) and/or reintegration into the labour market and Local Community. Where possible, cooperation should be forged with public or non-governmental victim service providers with expertise in supporting Migrant Workers who have been trafficked.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   179
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

- Consider implementing a process to map, monitor, review and manage risks related to modern slavery in your supply chain. Entities are encouraged to address newly identified risks in a timely fashion, regardless of the disclosure cycle of the Modern Slavery Statement.

Implementation - Processes

- Companies should consider implementing clear transparent recruitment processes for both the direct recruitment of staff and contracting arrangements with recruitment and employment agencies.
- Under the UN Guiding Principles on Business and Human Rights (see criterion 9.1 in the **ASI Performance Standard**), a company's responsibility to act is determined by its involvement in a Human Rights risk or impact, not its ability to influence a situation.

  o Where at risk of *causing* an impact directly, take the necessary steps to prevent it. For example, require recruitment agents to itemise, including with receipts, all expenses they incur in the recruitment process, and provide Workers with receipts for any expenses they incur in their recruitment.
  o Where at risk of *contributing* to an impact, take the necessary steps to avoid that contribution. Use your leverage with the party causing the impact to mitigate any remaining risk. For example, in the absence of ethical recruitment agencies in a country, undertake as much direct recruitment of Migrant Workers as possible.
  o Where at risk of an impact on a Migrant Worker being *directly linked* to your company's operations, products or services through a Business relationship, use your leverage with the party at cause to mitigate the risks.

Implementation - Communication

- When companies identify instances in their supply chain where Workers have paid fees over the course of their recruitment and employment, companies can work with suppliers to repay these fees to Workers by:

  o Communicating supplier expectations, including Policies and/or contractual terms with suppliers
  o Providing guidance on developing Worker repayment estimates and appropriate timelines
  o Communicating and engaging with recruitment agencies and Workers during this process.

- Many companies require their suppliers and partners to regularly monitor for and repay all Recruitment Fees, Costs or Charges that have been paid by Workers, and require evidence of Due Diligence during onsite assessments.

Auditing

- Recruitment processes should be included in Audits. If recruitment or employment agencies have been engaged clear contracts and payment details between them and the enterprise should be available. Should such contracts not exist the assumption should be Workers have paid Recruitment Fees, Costs or Charges to secure employment.

- Worker interviews during Audit should include question on recruitment process. Workers who may be fearful of losing their jobs are often coached to deny that they have paid fees or made payments. Best practice is to ask Workers about recruitment on arrival, mid contract and at end of contract when they may not be so fearful of repercussions and to understand the actual costs of recruitment for pertinent recruitment corridors and ask how and when actual costs were paid.

Further reading

For more guidance on how to implement a Modern Slavery Statement, consult available references including the 'Recommended Content for a Modern Slavery Statement' by CORE. Some examples of Modern Slavery Statements include:

- o SIG Modern Slavery Statement
- o BMW UK LTD. Modern Slavery Act Statement
- o Audi Slavery and Human Trafficking Statement

For more guidance on addressing Forced Labour risks, consult available references including

- the Global Slavery Index;
- US Department of Labor report (List of Goods Produced by Child Labour or Forced Labour; Findings on the Worst Forms of Child Labour; Trafficking in Persons Report);
- Danish Institute for Human Rights' Human Rights and Business Country Guides, Business and Human Rights Resource Centre;
- Responsible Sourcing Tool;
- Know the chain benchmarks;
- ILO Combating Forced Labour: A Handbook for Employers and Business (2008);
- the Verité Fair Hiring Toolkit and Help Wanted: A Fair Hiring Framework for Responsible Business;
- BSR Good Practice Guide: Global Migration;
- the Institute for Human Rights and Business' Six Steps to Responsible Recruitment;
- the Employment & Recruitment Agencies Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights;
- the International Finance Corporation (IFC) Performance Standard 2 – Guidance Note;
- HEUNI's toolkit for prevent of labour exploitation and trafficking;
- BRE Ethical Labour Sourcing Standard.

Additional information on repaying recruitment fees can be found at Impactt's Principles and Guidelines for the Repayment of Migrant Worker Recruitment Fees and Related Costs.

10.4 Non-Discrimination

The Entity shall:

a. Ensure equal opportunities and shall not engage in or support Discrimination in

    i. Hiring;
    ii. Salary;
    iii. Promotion;
    iv. Training;
    v. Advancement opportunities or
    vi. Termination of any Worker on the basis of gender, race, national or social origin, caste, religion, disability, political affiliation, sexual orientation, marital status, family responsibilities, age, or any other condition that could give rise to Discrimination.

b. Undertake objective appraisals of jobs on the basis of the work to be performed to verify equitable rates of pay.

c. Promote a culture of non-discrimination.

Application

This criterion applies to all Facilities.

Background

- Discrimination in occupation and employment takes many forms and occurs in all kinds of work settings. It can result in different treatment of Workers in their responsibilities, conditions, training, promotion, or job security.
- Globally, women continue to be the largest discriminated group according to ILO reports. Gender disparities are evident in labour force participation rates, unemployment rates, Remuneration and the types of job performed.
- For employers, Discrimination can be difficult to identify in practice, particularly when it is indirect. Sometimes rules, practices or attitudes have the appearance of being neutral but in fact lead to exclusions, Violence and Harassment or preferential treatment.

Implementation

- The Entity should be aware of both visible and invisible minorities. LGBTQ+ communities and individuals affected by illness (HIV+, Tuberculosis+, COVID-19+) are often described as 'invisible' minorities, because you can't look at someone and determine if the individual is part of that community. Entities working to enhance diversity and prevent Discrimination of invisible minorities should ensure they have a robust, privacy-respecting program in the company, which both enables those who wish to reveal themselves, and guards their privacy if they wish to keep it private.

Implementation - Resources

- Provide diversity and anti-Discrimination training, particularly in areas where Discrimination is most likely to occur such as hiring and promotion practices.

Implementation – Risk assessment

- Conduct a risk assessment appropriate to the Business' circumstances to assess where there may be a risk of Discrimination. Issues to assess may include practices or patterns in certain countries, industry sectors, or in particular occupations, Migrant Worker status, or on particular issues such as Labour Union membership or pregnancy/maternity.

Auditing

- Note that where targets are mandated by local legislation or law that requires positive Discrimination in favour of local residents, Indigenous Peoples, or groups who have been historically disadvantaged (such as on the basis of gender or race, for example), these may not be regarded as Discrimination.
- Similarly, projects may have objectives to promote the employment of the local community within the project. Where this is done in accordance with Applicable Law, this will not be taken to infringe the principles of this paragraph.

Further reading

- The Swiss Government has developed a tool for private Businesses to assess their gender pay gap.
- For more guidance on addressing Discrimination risks, consult available references including:

  o the Verité Fair Hiring Toolkit and Help Wanted: A Fair Hiring Framework for Responsible Business
  o the International Finance Corporation (IFC) Performance Standard 2 – Guidance Note
  o the IFC Good Practice Note: Non-Discrimination and Equal Opportunity (2006).

External links

- The Entity should strive to eliminate Discrimination against LBTQ+ Workers in the workplace through implementing the Five Standards of Conduct as outlined by the United Nations.

10.5 Communication and Engagement

The Entity shall ensure open communication and direct engagement with Workers and their representatives regarding working conditions and resolution of workplace and compensation issues, without threat of reprisal, intimidation or Violence and Harassment.

Application

This criterion applies to all Facilities.

Entity Size and Maturity

- In larger organisations, formal grievance or Complaints Resolution Mechanisms can allow Workers to raise complaints and should aim to handle disputes and appeals in a timely, effective and culturally appropriate process.

Implementation - Communication

- Consider how to establish and use communication channels that ensure open communication with Workers and their representatives (such as freely elected Labour Unions, delegates or spokespeople or others as nominated, where they exist), relating to working conditions, and any workplace and compensation issues. See also:

    - Criterion 10.1 on Freedom of Association and right to Collective Bargaining
    - Criterion 11.2 on Employee Engagement on Health and Safety.

- Ensure that these channels operate without threat of reprisal, intimidation or Harassment for participation or identification of issues.

10.6 Violence and Harassment

The Entity shall:

a. Implement, in consultation with Workers and their representatives, a workplace Policy on Violence and Harassment.

b. Review the Policy at least every 5 years.

c. Review the Policy on any changes to the Business that alter Material risk(s) of Violence and Harassment.

d. Review the Policy on any indication of a control gap.

e. Publicly disclose the latest version of the Policy

f. 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.

g. 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.

Application

This criterion applies to all Facilities.

Implementation

- Examples of Violence and Harassment, including unreasonable disciplinary practices, that have been documented in workplaces include being forced to do push-ups, run laps, or stand in the sun for extended periods, being beaten or hit over the head, threats of violence, sexual or racial Harassment, bullying, verbal abuse and withholding of wages, food or services.

Implementation - Resources

- Supervisors and Contractors, such as security forces, should be trained in how to appropriate manage any disciplinary issues. Security guards and the military should not be allowed to take part in disciplining the workforce. Their role must be clearly limited to safeguarding the premises and the personnel and product located in the premises.

Implementation - Risk assessment

- Conduct a risk assessment appropriate to the Business' circumstances to assess where there may be a risk of Violence and Harassment. Issues to assess may include practices or patterns in certain countries, industry sectors, or in particular occupations, or on particular issues such as security forces or management responses to strike actions.

Implementation - Communication

- Grievance Procedures and Complaints Resolution Mechanisms are a means for Workers to then raise concerns about management practices or decisions relating to Violence and Harassment, and to have these investigated and resolved. They should permit Workers to report unfair treatment to someone other than their supervisor. See also criterion 10.5 on Communication and Engagement.

Auditing

See Introduction Section 6. Regular Review.

Further reading

For more guidance, consult available references including European Foundation for the Improvement of Living and Working Conditions' paper on physical and psychological violence at the workplace.

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 the equivalent of 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.

Application

This criterion applies to all Facilities.

Background

- A living wage is defined as the wage that can meet the basic needs to maintain a safe, decent standard of living within the community. Where there is a perceived gap between the minimum wage and a living wage, consider how to address this.

- Wage-related benefits vary by country, but often include items such as holiday, Overtime pay, sick pay, health benefits, incentives and bonuses, limited family leave benefits with pay and savings plans. In some cases, non-wage benefits may be provided to Workers such as health care, accommodation, Worker education, and basic services such as water and electricity.
- ILO encourages multi-national enterprises to progressively reduce the working week from 48 to 40 hours, without reduction of wages.
- More than 90% of countries have legislation for minimum wage fixing. Ideally this wage is determined to cover the minimum needs of the Worker and their family, in light of the country's prevailing economic and social conditions (a 'living wage'). However, this is not always the case in labour-intensive industries, which can lead to a cycle of Workers taking on excessive working hours and/or Overtime in order to make ends meet. Consider that wages are calculated on a performance-related or piece-rate basis should not be less than the legally mandated minimum wage.

Implementation

- 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.
- Typically, Workers receive higher pay for working beyond the required normal hours (Overtime), on public holidays, weekly rest days and at night. The rate for these hours may be set by the government or by collective agreement (whichever is higher applies). Different rates may apply for regular Overtime, and for Overtime worked at night, on public holidays, and on weekly rest days.
- Note that compensation may take various forms (remuneration, time off, etc.)
- For 10.7 (d) Ensure that Workers receive their payments regularly as stipulated in their contracts, and in legal currency in a manner and location convenient to them, whether via bank transfer, cash or cheque, or by money order, where permitted by Applicable Law, collective agreement or with the consent of the worker. Payment in the form of vouchers, coupons or promissory notes is not permitted.

  - Pay the correct rate for regular and Overtime hours worked at night, on weekly rest days and on public holidays.
  - Only deductions, advances and loans authorized by Applicable Law are permitted and, if made or provided, actions shall only be taken with the full consent and understanding of Workers.
  - Clear and transparent information needs to be provided to Workers in a language they understand, about hours worked, rates of pay, and the calculation of legal deductions, so that they retain full oversight over their earnings.

- Under certain circumstances ILO Convention No.95 allows for the partial payments in kind of wages particularly when such form of payment is permissible by Applicable Law or as per a collective bargaining agreement, customary, appropriate for the personal use and benefit of Workers and their families, and the value of such allowances is fair and reasonable.

- o Payment in kind is non-cash Remuneration received by a Worker for work performed. This can include food, drink, fuel, clothing, footwear, free or subsidized housing or transport, electricity, car parking, nurseries or crèches, low or zero-interest loans or subsidized mortgages.
  - o Payment in kind in the form of goods or services shall not be used to create a state of dependency of the Worker on the employer.
  - o Payment in kind can make up only part of Workers' wages to ensure that the worker is not totally deprives of cash remuneration,, and the benefits provided must be fairly valued and meet the personal and family needs of the Worker.

- Any amounts deducted from wages must be determined by due process. Legitimate deductions include income taxes, pension contributions and Labour Union memberships, for example. Deductions should not be made as a disciplinary measure for Worker behaviour, except where explicitly provided for in Worker contracts or collective bargaining agreements. Workers should be informed of conditions and extent of any deductions made in their regular payslip or similar documentation.
- Forced savings schemes are not part of legitimate deductions where they are Entity-owned or -managed and used as a pretext to withhold wages from Workers. These schemes benefit the Entity at the expense of Workers but may also prevent Workers to freely move to other positions or employers as Workers forced to participate in these schemes frequently have trouble receiving all monies due from these schemes at the end of their period of employment.
- Loans and wage advances should not exceed legal limits, and Workers should be informed of related terms and conditions, including any interest rates and repayment terms.
- Where a legal minimum wage is in place, the company shall respect it. Where no minimum wage is defined through the regulatory system, the company should define a minimum wage for its Workers, based on common industry practices in the region or country where it operates. Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

Further reading

For further guidance, consult available references including the ETI Base Code.

Additional guidance and methodologies can be found in SA8000's work on living wage, and the Global Living Wage Coalition.

External links

For guidance on how to calculate Overtime wages for unique work situations, such as shift work, see the EU Directive 2003/88.

10.8 Working Time

The Entity shall:

a. Comply with Applicable Law and industry standards on Working Time (including Overtime working hours), public holidays and paid annual leave.

b. Ensure Workers have, at a minimum, an average of one day off per seven-day period.

c. Ensure the workday does not exceed 8 hours on average over a six-month period.

Application

This criterion applies to all Facilities.

Background

- Working hours are a fundamental component of safe and humane working conditions. Excessive working hours in manufacturing and extractive industries remains one of the most regularly raised issues by civil society and Labour Unions.
- The six-month period in criterion 10.8c covers the case of rotational shift work.

Implementation

- All hours worked beyond the legislated or agreed working week is considered Overtime. Overtime should be voluntary and not compulsory. Limiting working hours can promote better work-life balance and reduce Workers' stress-related occupation conditions and accident rates.
- Weekly rest and paid annual leave are a normal part of most Worker agreements and must be provided. Where shift rosters mean that Workers don't always get one rest day in seven, alternative arrangements should be agreed in compensation. For example, some mines will operate 'fly-in, fly-out' contracts where (non-local) Workers work a number of weeks of consecutive days followed by a number of weeks of leave.
- Make sure that the company understands the Applicable Law related to working hours and leave in all countries of operation. Any collective agreements with Labour Unions or other Workers organisations should deal with working hours, Overtime, breaks and leave.

- Overtime needs to be voluntary, unless part of a legally recognized collective bargaining agreement. Workers must not be made to work Overtime under the threat of penalty, dismissal or denunciation to authorities. While the ILO does not set the maximum number of Overtime hours, a common benchmark is 12 hours additional per week for max of 60 normal and Overtime hours. The ILO encourages multi-national enterprises to progressively reduce from 48 hours to 40 hours in the week, without reduction of wages.
- Examples of calculations for Working time can be found below. For long reference period calculations (e.g. Example Fly-in-fly-out scenario), in situations where the employee's contract period is shorter than the prescribed reference period, the contract period should be used as the reference period.

- Example 1 (part time)
  Where: h is total hours worked in a given reference period (1 week, 3 weeks, other), d is the number of days worked in a given reference period (8=h/d)

  Person A works a part-time job of the equivalent of 3 days a week (24 hours), based on a 40 hours work week.

  Person A's working hours are: Monday: 4 hours, Tuesday: 6 hours, Wednesday: 8 hours, Thursday: 6 hours

  Average hours per week: 24 hours; average hours a day: 6 hours
  n = (24*3)/(4*3) = 6

  (Reference period = 3 weeks)

- Example 2 (including Overtime)
  Week 1: 60 hours (Monday through to Friday: 12 hours)
  Week 2: 30 hours (Monday through to Friday: 5 hours)
  Week 3: 30 hours (Monday through to Friday: 5 hours,
  + Overtime of 8 hours on Saturday

  Since Overtime needs to be done on a voluntary basis, unless part of a legally recognized collective bargaining agreement, it is considered separately and *not* taken into account for the averaging.

  n = (60+(2*30))/(3*5)
  n = 120 / 15

  n = 8

  (Reference period = 3 weeks)

- Example 3 (Fly-in-fly-out scenario)
  Week 1 to 4: 8 hours a day, 7 days a week, 56 hours a week, 224 hours over the 4 week period
  Week 5 to 6: no work (not annual leave).

  n = (56*4)/6
  n = 224/6

  Average per week (rounded down): 37 hours
  (Reference period = 6 weeks)

Implementation – Processes

- There need to be processes in place to ensure Workers are not forced to work in excess of the number of hours permitted under Applicable Law. In the absence of these laws, ILO Convention 1 sets out 8 hours for a workday and 48 hours in a week (with exceptions for some industrial environments or emergency / Force Majeure situations).
- Develop an effective system for recording the number of hours worked by each Worker and tracking Overtime and leave entitlements. Make sure that managers and Workers understand the systems so that they can easily record hours and any changes to regular working hours.

Implementation– Risk assessment

- Where relevant, conduct a risk assessment appropriate to the Business' circumstances to assess where there is a risk of maximum working hours being exceeded or leave entitlements being breached.

10.9 Informing Workers of Rights

The Entity shall:

a. Inform Workers of their rights, as protected in this Principle.

b. Where Freedom of Association and Collective Bargaining are restricted by Applicable Law then it is expected that Entities would inform Workers of the requirements of 10.1 (d).

Application

This criterion applies to all Facilities.

Further reading

Ethical Trade Initiative's [Freedom of Association in Company Supply Chains](#)
Fairwear's [Freedom of association and the right to collective bargaining – a guide for brands](#).

11. Occupational Health and Safety

Principle

The Entity shall provide and promote safe and healthy working conditions for all Workers.

Background

It is a fundamental responsibility of Businesses to ensure that Workers are not harmed as a result of their work. Health and safety Management Systems and programs are usually designed to cover direct employees, any contract or agency Workers, and members of the public such as Visitors and Affected Populations and Organisations who may be impacted by a company's operations.

A wellbeing culture that promotes good health in addition to the prevention of injury and illness can deliver substantial benefits. These include improvements in staff performance and motivation, and reductions in injuries, illnesses and sick days, insurance claims, premiums and regulatory fines. Poor management of health and safety increases the risk of serious workplace injury and illness, including fatalities, and has the potential to undermine commercial performance and reputation, thereby negatively impacting organizational sustainability.

Traditionally health and safety programs focused primarily on the prevention of workplace-related injuries and diseases, including work-related stress, fatigue and work-life balance. Increasingly Businesses are developing programs for the general health and wellbeing of Workers, by addressing broader aspects of health such as psychological health and safety, stress, fatigue, fitness for work, obesity, substance addiction and work-life balance. While the intent of these programs is to further enhance workplace health and safety, due regard to issues of privacy needs to be given, with protections for Workers who may seek help with health or personal problems.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

192

Implementation

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

The Entity shall:

a. Implement a documented OH&S Management System applicable to all Workers and visitors that includes the following components:

   i. Organizational context;
   ii. Leadership & worker participation;
   iii. Planning;
   iv. Support;
   v. Operation;
   vi. Performance evaluation;
   vii. Improvement.

b. Review the OH&S Management System at least every 5 years.

c. Review the OH&S Management System after any changes to the Business that alter Material OH&S risk(s).

d. Review the OH&S Management System on any indication of a control gap.

e. Publicly disclose the effectiveness of the OH&S Management System on an annual basis, including:

   I. Leading and lagging indicators of performance.
   II. Comparative analyses of performance with peer Businesses and leading practice.

Application

This criterion applies to all Facilities.

Entity size and maturity

- The nature and extent of the Management System should reflect the Entity's size, location and other factors. Simple Procedures and work instructions may be sufficient and effective for small companies with low risks.

Implementation

- Identify relevant health and safety leading and lagging indicators, jointly agreed with management and Workers (or their representatives), according to specific industry guidance, and monitor performance relating to these indicators on a regular basis.

   o Lagging indicators are the traditional safety metrics used to measure the reactive nature of safety performance. They include injury frequency and severity, lost time and Workers compensation costs. For example, consider the following:

- Number of serious injury cases
- Number of recordable cases
- Number of recognised occupational illness
- Recordable Case Rate: (MT[5] + RW[6] + LTI[7] + Fatality cases) x 1,000,000 ÷ Hours worked for a period
- Restricted Work Case Rate: Total number of RW cases that would occur in 500 employees working one year (1,000,000 hours): (# of RW cases) x 1,000,000 ÷ Hours worked for a period
- Medical Treatment Case Rate: Total number of MT cases that would occur in 500 employees working one year (1,000,000 hours): (# of TM cases) x 1,000,000 ÷ Hours worked for a period
- Lost Time Injury Case Rate: Total number of LTI cases (including Fatality cases) that would occur in 500 employees working one year (1,000,000 hours): (# of LTI cases) x 1,000,000 ÷ Hours worked for a period
- Days Lost Rate: Total number of scheduled workdays that the employee could not work due to a work related injury that occurred during the period covered by the rate: (# of Days Lost) x 1,000,000 ÷ Hours worked for a period
- Serious Injury Case Rate: Total number of Serious Injury cases that occurred during the period covered by the rate: (# of Serious Injury cases) x 1,000,000 ÷ Hours worked for a period
- Fatality Case Rate: Total number of Fatalities that occurred during the period covered by the rate: (# of Fatalities) x 1,000,000 ÷ Hours worked for a period
- Hours worked without recordable/lost time accident.

o Leading indicators in safety provide a means to predict performance and used to drive activities that identify hazards and prevent or control the severity of injuries. Leading indicators include number of safety audits, number or Workers trained, reduction in risk profiles or Worker survey results. Both leading and lagging indicators can help Entities measure and improve its Occupational Health and Safety performance.

o Larger workplaces or organisations often monitor progress against targets; smaller Businesses may not always be able to compare performance with peers.

o Consult the GRI 403: Occupational Health & Safety Standard, the ICMM Health and Safety Performance Indicators or the OSHA (US Occupational Safety and Health Administration) for further examples of indicators.

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[5] Medical Treatment: Any case involving treatment other than first aid administered by a physician or by other personnel under the standing or direct order of a physician. It is often difficult to distinguish medical treatment from first aid. The decision cannot always be made on the basis of who treats the case. A physician can administer first aid. Personnel other than a physician can provide medical treatment.

[6] Restricted Work Case: A case that results in one or more days of restricted work. Restricted work occurs when the employee was assigned to another job on a temporary basis and/or worked at his/her permanent job less than full time due to the work-related injury. Restricted work duties must be taken up on the next scheduled workday after the injury.

[7] Lost Time Injury: A case involving one or more scheduled workdays (consecutive or not) on which the employee would have worked but could not because of an occupational injury. The day of injury is not counted in making this distinction. The number of lost workdays should not include the day of injury or any days on which the employee would not have worked.

- Investigate health and safety incidents and feed the results into reviews of the controls of the related hazards, to identify opportunities for improvement.

  o Include near-miss situations, where the direct consequences were inconsequential, but the possible consequences could have been serious.

  o Ensure the implementation of corrective actions are tracked, and once in place, determine the effectiveness of these actions at preventing a recurrence.

  o Investigation teams and should include a mix of management and Workers (or their representatives).

  o Learnings and actions from incidents should be shared with all affected personnel.

  o Records of workplace incidents and/or performance may be required under local regulations. Where there is the potential for long latency diseases, such as noise induced hearing loss or occupational cancers, occupational health data may need to be kept for at least 30 years.

Implementation – Management Systems

- Implement a documented OH&S Management Systems to assess and manage the Entity's Occupational Health and Safety risks.

  o See Guidance for criterion 2.3 for additional information.

- The Entity may consider the following (non-exhaustive) issues for Workers, Visitors and workplaces, including office environments:

  o Establishing a collaborative safety culture, including the promotion and dissemination of good wellbeing, health and safety practice through open communication and discussion

  o Complying with regulatory requirements and other relevant international standards including ILO Conventions

  o Respecting Workers' health and safety rights, with a special attention to women's wellbeing

  o Preventing sexual Harassment at the workplace

  o Identifying and managing psychosocial risks, e.g., per guidance in ISO 45003 (see Appendix 4: Workplace psychosocial risk factors - social factors (from ISO 45003:2021) for examples of social factors at work).

  o Maintaining materials, equipment, tools and machinery in safe condition

  o Providing safe and hygienic facilities, including toilets, eating areas and first aid

  o Use of machinery and mobile equipment including guarding, training of operators and maintainers

  o Procedures for shutdown to a zero-energy state, and lockout and tag-out Procedures

  o Inventory, hazard information, storage and handling of materials (including hot metal) and chemicals

  o Controlling exposures to hazardous materials in various states, whether solid, liquid, gas, mist, dust and fumes, airborne particles, noise and temperature levels. Consideration to be applied based on the nature of the hazard (corrosive, toxic, carcinogenic, mutagenic, teratogenic, asphyxiant, sensitizer), the pathways of entry to and elimination from the body, the nature of possible effects on target cells/organs/systems, and appropriate control measures

  o Working alone

  o Beryllium Disease

- o Working at heights
- o Confined spaces
- o Energised systems (pressure, temperature, electrical, etc.)
- o Heat- and cold- related illness (thermal stress)
- o Inadequate lighting and/or ventilation
- o Ergonomic hazards,
- o Biological hazards, such as injury from animals and insects (including vector-borne and insect-borne disease)
- o Ensuring that workplaces are safe for all Workers, including younger Workers (for example under 18 years of age), older Workers, pregnant Workers, nursing Workers, and Workers with disabilities
- o General industrial hygiene, food hygiene and sanitation
- o Housekeeping issues
- o Training and supervision, including imparting knowledge and awareness about workplace hazards, safe working practices and the safe operation of equipment and training specifically for groups identified as vulnerable
- o Accessibility of information in languages and format that can be understood by/is accessible to all Workers
- o Mechanisms for Workers to refuse or shut down unsafe work without fear of reprisals and the obligation to immediately report these situations to those at imminent risk and to management
- o Processes for identifying hazards, assessing risks, and controlling risks in consultation with Workers (see criterion 11.2)
- o Processes for consultation with Workers on matters that affect their health and safety in an inclusive and meaningful participatory mechanism such as a joint health and safety committee (Workers or their representatives and management) in all aspects of health and safety Policies, programs and Procedures – from planning through risk assessment to implementation, including inspections, audits, accident and incident investigations. (see criterion 11.3)
- o Processes for regular review and communication of the Policy and supporting systems and their implementation (see criterion 11.2).

Review

- Regularly review industry leading practices of peers comparable in size and/or geographic location and benchmark your own practices and performance to identify opportunities for improvement.
- See Introduction Section 6. Regular Review.

Public disclosure

- See Introduction Section 5. Public Disclosure.
- Good practice is reporting in line with GRI 403: Occupational Health and Safety 2018.

Auditing

See Introduction Section 6. Regular Review.

External links

[ISO 45001:2018 Occupational health and safety management systems — Requirements with guidance for use,](#) offers a model for the establishment, implementation and maintenance of an OH&S Management System.

International Standard [ISO 45003](#) (see Appendix 4 for examples of social factors at work), offers examples of situations to aid in identifying and managing psychosocial risks.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

197

11.2 Employee Engagement on Health and Safety

The Entity shall provide Workers with a mechanism, such as a joint health and safety committee, by which they can raise, discuss and participate in the resolution of Occupational Health and Safety issues with management.

Application

This criterion applies to all Facilities.

Implementation

- Workers should be able to freely choose their representatives in the process (such as on a committee), for example through a Labour Union or workforce nominations/elections.

  o While on-site Contractors may not be eligible to participate on a committee in some situation, the committee or similar should still function as a mechanism by which they can raise health and safety issues.

- The mechanism should allow for discussion to be held on a regular basis and in response to incidents or a newly identified risk or hazard. It can also be used to address both short and long-term health trends identified by employees, Contractors and management.

  o Workers should be able to raise health and safety issues without fear of criticism or reprisal.
  o A record of meetings should be maintained, including matters discussed and actions undertaken with clear timeframes and responsibilities.

Implementation - Processes

- Consider additional informal processes, such as suggestion boxes, 'Safety Shares' or team meetings, for consulting Workers about health and safety issues or improvements. Also consider gender, language and levels of education when developing these additional processes.

Implementation - Communication

- This criterion can be implemented in conjunction with criterion 10.5 on Communication and Engagement with Workers.

Appendix 1: Human Rights Impacts Assessment Decision Tree
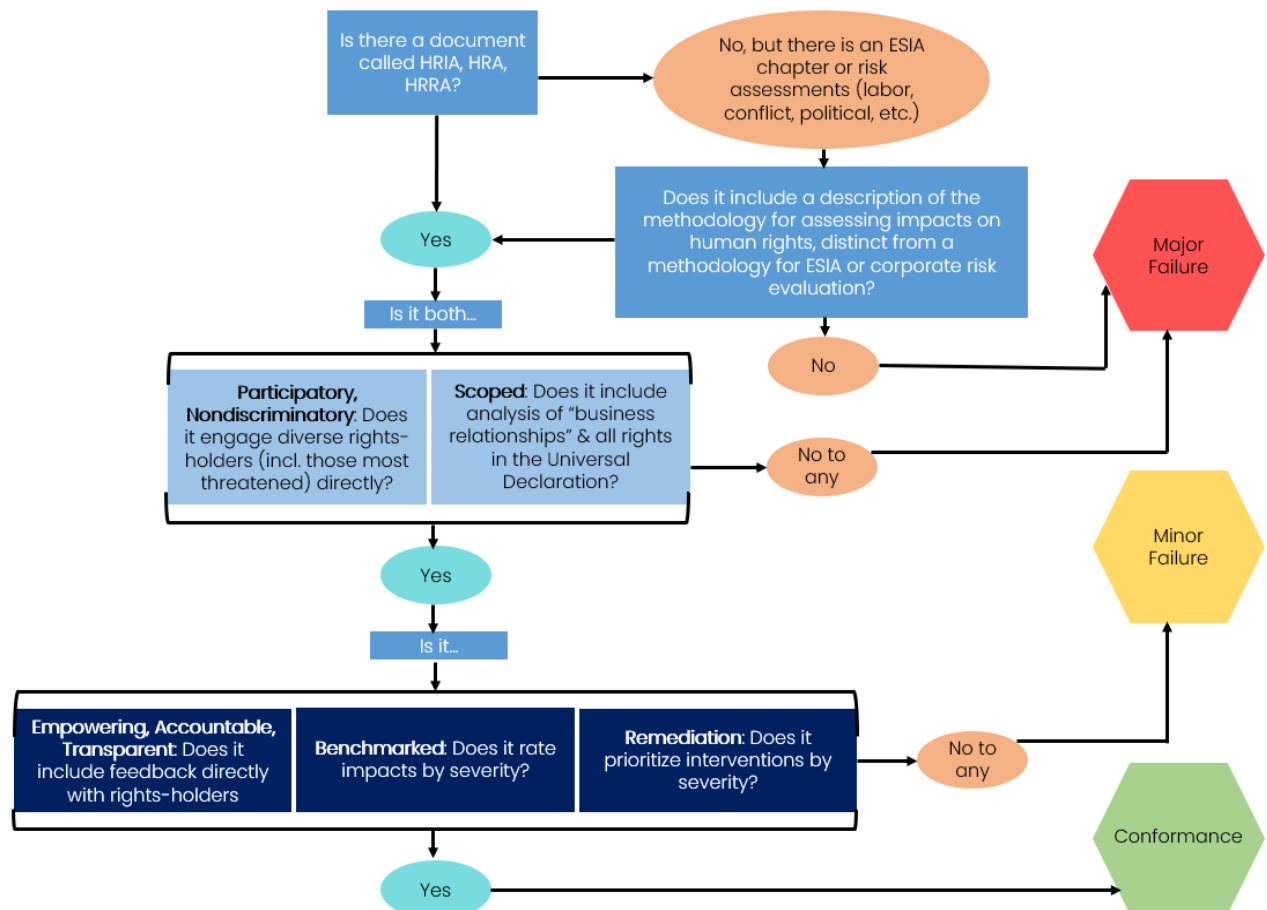
Appendix 2: Example Policy for Conflict-Affected and High-Risk Areas (CAHRAs)

Example Policy for Conflict-Affected and High-Risk Areas (CAHRAs) – adapted from OECD Guidance Annex II

The following template can be further modified or adapted to suit individual Businesses, incorporated into a stand-alone Policy or integrated into a broader Policy. Your Policy can focus on Bauxite and the Aluminium supply chain (the focus of ASI's Standards) or minerals more broadly. You can also use the OECD Guidance, including Annex II, as a reference in further developing your Policy.

1. General:
   a. This policy confirms [COMPANY NAME'S] commitment to respect Human Rights, avoid contributing to the finance of conflict, and comply with all relevant UN sanctions, resolutions and laws.
   b. We also commit to use our influence to prevent abuses by others through risk-based supply chain Due Diligence, by implementing the OECD five-step framework for responsible supply chains of minerals from Conflict-Affected and High-Risk Areas.
   c. [CONSIDER INCLUDING A BRIEF SUMMARY OF HOW YOU PLAN TO IMPLEMENT THIS POLICY. FOR EXAMPLE, HOW YOU WILL APPROACH STEPS 1 TO 5 IN THE OECD GUIDANCE, AND UNDERTAKE INDEPENDENT THIRD-PARTY AUDITS OF YOUR DUE DILIGENCE THROUGH ASI].
   d. [CONSIDER INCLUDING INFORMATION ABOUT OR A LINK TO YOUR COMPLAINTS OR GRIEVANCE MECHANISM TO ENABLE INTERESTED PARTIES TO VOICE CONCERNS ABOUT MINERALS FROM CONFLICT-AFFECTED AREAS].

2. Regarding serious abuses associated with the extraction, transport or trade of [Bauxite/minerals – *as applicable to your Business and the scope of your policy*]:
   a. We will neither tolerate, nor profit from, contribute to, assist or facilitate by any party the commission of:
      i. Torture, cruel, inhuman and degrading treatment
      ii. Forced or compulsory labour
      iii. The worst forms of Child Labour
      iv. Gross Human Rights violations and abuses such as widespread sexual violence
      v. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
   b. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 2a.

3. Regarding direct or indirect support to non-state armed groups:

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

200

a. We will not tolerate direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals, including, but not limited to, procuring [Bauxite/minerals] from, making payments to, or otherwise assisting or equipping non-state armed groups or their affiliates, as identified by UN Security Council resolutions, who:

    i.Illegally control mine sites, transportation routes, points where [Bauxite/minerals] are traded and upstream actors in the supply chain; or

    ii.Illegally tax or extort money or [Bauxite/minerals] at mine sites, along transportation routes or at points where [Bauxite/minerals] [is/are] traded, or from intermediaries, export companies or international Traders.

b. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3a.

4. **Regarding public or private security forces:**

a. We recognise that the role of public or private security forces is to maintain the rule of law, safeguard Human Rights, provide security to workers, equipment and facilities, and protect mine sites or transportation routes from interference with legitimate extraction and trade.

b. We will not provide direct or indirect support to public or private security forces that commit abuses described in paragraph 2a, or that act illegally as described in paragraph 3a.

5. **Regarding Bribery and fraudulent misrepresentation of the origin of minerals:**

a. We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes to conceal or disguise the origin of [Bauxite/minerals], or to misrepresent the taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of [Bauxite/minerals].

6. **Regarding money laundering and payment of taxes, fees and royalties due to governments:**

a. We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk of money laundering resulting from or connected to the extraction, trade, handling, transport or export of [Bauxite/minerals], derived from illegal taxation of Extortion.

b. We support the payment and disclosure of all taxes, fees and royalties due to governments related to [Bauxite/mineral] extraction, trade and export from Conflict-Affected and High-Risk Areas.

Appendix 3: Example Water Inventory Map for Family Foundry & Parts

Entity Name	Family Foundry & Parts	Facility	Main
Inventory Period	Jan – Nov 2021	Date Completed	November 2021

Location	Function/ Activity	Water Type	Source	Use	Quantity	Final Destination	Other Information
Die casters (2 high pressure)	Aluminium parts (by order)	Fresh water	Municipal supply	Cooling die casting machines	1500 litres per month (average)	Sewer waste water via permit	Discharge tested by Acme Labs every year
Maintenance wash bay	Die preparation	Fresh water	Municipal supply	Washing die's and other parts	500 litres per month	Sewer waste water via permit	Oil separated in interceptor
Kitchen / Bathrooms	Use by workers	Fresh water	–	Drinking, food prep, hand washing, shower.	900 litres per month	Sewer but no need for permit	NA
Toilets	–	Recycled water	Local Wastewater treatment plant	Toilet flushing only	1000 litres per month	Sewer but no need for permit	NA
Gardens	–	Rainwater	Rainwater tanks	Plants and gardens	Estimate 500 litres / month	Into the ground	NA

Appendix 4: Workplace psychosocial risk factors - social factors (from ISO 45003:2021)

	Examples
Interpersonal relationships	• poor communication, including poor information sharing • poor relationships between managers, supervisors, co-workers, and clients or others that Workers interact with • interpersonal conflict • harassment, bullying, victimization (including using electronic tools such as email and social media), third-party violence • lack of social support • unequal power relationships between dominant and non-dominant groups of Workers • social or physical isolation
Leadership	• lack of clear vision and objectives • management style unsuited to the nature of the work and its demand • failing to listen or only casually listening to complaints and suggestions • withholding information • providing inadequate communication and support • lack of accountability • lack of fairness • inconsistent and poor decision-making practices • abuse or misuse of power
Organizational/workgroup culture	• poor communication • low levels of support for problem-solving and personal development • lack of definition of, or agreement on, organizational objectives • inconsistent and untimely application of policies and procedures, unfair decision-making
Recognition and reward	• imbalance between workers' effort and formal and informal recognition and reward

Examples	
	• lack of appropriate acknowledgement and appreciation of workers' efforts in a fair and timely manner
Career development	• career stagnation and uncertainty, under-promotion or over-promotion, lack of opportunity for skill development
Support	• lack of support from supervisors and co-workers • lack of access to support services • lack of information/training to support work performance
Supervision	• lack of constructive performance feedback and evaluation processes • lack of encouragement/acknowledgement • lack of communication • lack of shared organizational vision and clear objectives • lack of support and/or resources to facilitate improvements in performance • lack of fairness • misuse of digital surveillance
Civility and respect	• lack of trust, honesty, respect, civility and fairness • lack of respect and consideration in interactions among workers, as well as with customers, clients and the public
Work/life balance	• work tasks, roles, schedules or expectations that cause Workers to continue working in their own time • conflicting demands of work and home • work that impacts the workers' ability to recover from Illness or Injury

Violence at work	• incidents involving an explicit or implicit challenge to health, safety or well-being at work; violence can be internal, external or client initiated, e.g.:
	  o abuse
	  o threats
	  o assault (physical, verbal or sexual)
	  o gender-based violence

Harassment	• unwanted, offensive, intimidating behaviours (sexual or non-sexual in nature) which relate to one or more specific characteristic of the targeted individual, e.g.: o race

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   204
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

Examples	
	o gender identity o religion or belief o sexual orientation o disability o age
Bullying and victimization	• repeated unreasonable behaviours which can present a risk to health, safety and well-being at work; behaviours can be overt or covert, e.g.: o social or physical isolation o assigning meaningless or unfavourable tasks o name-calling, insults and intimidation o undermining behaviour o undue public criticism o withholding information or resources critical for one's job o malicious rumours or gossiping o assigning impossible deadlines Bullying and harassment can occur both face to face and electronically (e.g., social media).

Appendix 5 – Supplier Due Diligence Checklist

Please note that this Appendix supplies an indicative, non-exhaustive sample list of potential tools and questions that may be used by an Entity in their Due Diligence and/or Responsible Sourcing practices. The Entity must determine the specific risks presented by their unique supply chain activities and, if using a supplier checklist, assess the relevant risks and tailor the questions accordingly. The intent of the 'Potential Questions to Ask a Supplier' list is that the Entity would use those most appropriate to the risks in their supply chain and the context of their suppliers (size of organization, geographical location, business activities etc). It is not expected that every Entity would necessarily use all the questions in the list. Additional questions may be appropriate, depending on the particular situation and risks relevant to the Entity and its activities. Entities are encouraged to undertake their own due diligence risk assessment and devise or adapt questions relevant to their context.

Risk/Condition/ Situation	Assessment Tools	Potential Questions to Ask a Supplier
General		
	https://www.mvorisicochecker.nl/en/start-check	• Does the firm have a valid certification of compliance with **ASI Performance Standard**? • Does the firm have any certifications (ISO 45001, 14001 etc)? • Does the firm maintain any relevant Association memberships (for example, Institute of Recycling Associations etc)? • Does the firm maintain a grievance procedure for relevant stakeholders (e.g. Workers, Indigenous Peoples, Local Community etc)?
Anti-Corruption		
Corruption	https://www.transparency.org/en/#	• Does the firm have an Anti-Corruption commitment? • Does the firm have a record of payments to governments? • Does the firm train its personnel on Corruption?

		• Does the firm do business with only legitimate Business with legitimate financial sources? • Is the firm currently, or over the last five years has it been, involved in legal proceedings or regulatory investigations in relation to Corruption? • Does the firm maintain records on potential conflicts of interest?
Bribery		• Is the firm currently, or over the last five years has it been, involved in legal proceedings or regulatory investigations in relation with Corruption/Bribery or money laundering? • Does the firm have a policy including a limit on the value, nature and circumstances of gifts, entertainment and sponsoring? • Is the firm currently, or over the last five years has it been, involved in legal proceedings or regulatory investigations in relation with Bribery?
Money Laundering		• Has the country in which you are located established laws designed to prevent money laundering? • Is the firm currently, or over the last five years has it been, involved in legal proceedings or regulatory investigations in relation with money laundering?
Responsible Sourcing		
		• Does the firm maintain a responsible sourcing Policy? Is it publicly available?Does the firm dedicate authority and responsibility as well as resources, to the implementation of this Policy? • Does the firm set targets for responsible procurement?

		• Does the firm keep a supply chain register, or any other form of records on transactions and supplier information? • Can the firm show evidence that they have conducted Due Diligence on the source of the material they supply? For example: copies of supply chain risk assessments, reports or audits undertaken, evidence of participation in responsible sourcing initiatives or programmes. • If applicable, how has the firm responded to supply chain risks in the past, what actions have been taken to respond to identified risks?
Human Rights		
General	http://www.politicalterrorsc ale.org	• Does the firm have a Policy commitment to respect Human Rights? • Does the firm dedicate authority and responsibility as well as resources, to the implementation of this Policy? • Do all staff receive training on the Policy commitment to respect Human Rights? • Does the firm have Human Rights Due Diligence Processes in place? Are these processes reviewed on a regular basis? • If applicable, how has the firm responded to Human Rights risks in the past, what actions have been taken to respond to identified risks? • How else does the firm ensure that its supply chain doesn't violate any Human Rights?
Modern Slavery	https://www.globalslavery index.org/2018/data/map s/#prevalence	• Does the firm prohibit Modern Slavery and modern slavery-related practices (including Forced Labour and Child Labour)? • Does the firm not engage in Modern Slavery and modern slavery-related practices including:

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)   208
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

	https://www.ilo.org/global/topics/forced-labour/policy-areas/statistics/lang--en/index.htm	o Human Trafficking o Forced Labour o Child Labour o Debt Bondage o witholding personal documents and/or o involuntary Overtime?
Local Communities and Indigenous Peoples	https://www.iwgia.org/en/resources/indigenous-world	• Does the firm respect the rights of Local Communities and Indigenous Peoples? • Does the firm have a policy regarding Free Prior and Informed Consent of indigenous peoples?
Labour Rights	http://labour-rights-indicators.la.psu.edu/about http://hdr.undp.org/en/content/table-5-gender-inequality-index-gii	• Does the firm have an anti-Discrimination Policy? • Can it be affirmed that the firm does not Discriminate people based on sex, gender, age, religion, disability, marital status, nationality, caste, affiliation, social or ethnic origin, or any other characteristic? • Have any instances of potential Discrimination been raised against the firm in the last 5 years? • Does the firm maintain a Labour Rights Policy including a complaints mechanism? • Are all staff trained on the Labor Rights Policy? • Has the firm received any labor violations in the last five years? • Under what conditions are wages deducted (e.g., for PPE, for poor performance, for unmet quotas, for taxes)? • Does the Business maintain a Policy regarding wages?
Freedom of Association	http://labour-rights-indicators.la.psu.edu/	• Does the firm maintain a Policy regarding Freedom of Association/Collective Bargaining? • Is the Facility unionized, fully or partly?

| | | • Do workers have the right to choose, form, belong or not belong to a union or similar representative organization? |
| | | • Can workers bargain collectively or not without fear of reprisal, intimidation or Harassment? |

Conflict-Affected and High-Risk Areas (CAHRA)		
Areas which are conflict-affected or at high risk of being conflict affected	https://hiik.de/konfliktbaro meter/	• Are any materials being sourced from regions which may be conflict-affected? If yes, do you have a system in place to assess the risks of the supplier contributing to conflict or adverse Human Rights abuses?

Appendix 6 – Guidance for ASI Performance Standard implementing Entities: recognition of Indigenous Peoples

Indigenous Peoples recognition has historically been characterised by an unequal power dynamic, tension and political bias. Recognition of Indigenous Peoples is a theme of great complexity and many nuances, and one on which various ASI Stakeholders -including IPAF - have written detailed Guidance about.

Since its inception, the ASI Performance Standard demands respect for Indigenous Peoples rights and interests. criterion 9.3 requires an Entity to implement policies and processes that ensure respect for the rights and interests of Indigenous Peoples, and requires it to develop and document a process for identifying Indigenous Peoples and/or communities based on their linguistic, social, governance and resource-linked characteristics (rather than state recognition). It also requires this process to include meaningful stakeholder engagement, be regularly reviewed and publicly disclosed. Finally, an Entity is also required to inform and engage with the Indigenous Peoples on the relevant ASI Performance Standard requirements and the ASI Certification process.Indigenous Peoples rights have always been a foundational element of the ASI Programme. The Indigenous Peoples Advisory Forum (IPAF) ensures that global and diverse Indigenous perspectives are built into the foundations of ASI's Standards and Beyond Certification work.

This (non-exhaustive) publication highlights the jurisdictional, cultural, and socio-political complexities in the identification and recognition of Indigenous Peoples, while providing an insight into some common characteristics such as self-determination, special attachment to and use of their traditional land. Additional context is provided at a global region scale regarding a history of subjugation, marginalization, dispossession, exclusion or discrimination in ways not felt by dominant sectors of society.

Given such characteristics, Entities and Auditors should assume that Indigenous Peoples and/or communities are present, unless proven otherwise. The rest of the Guidance text under criterion 9.3 offers direction on how to address these challenges, and what a company can do to ensure that the identification and engagement process with Indigenous Peoples and/or communities is inclusive and equitable.

Identification of Indigenous Peoples in Latin America

Most Latin American countries have ratified ILO Convention 169, or its predecessor ILO Convention 107, and many of them were active in the negotiation of the United Nations Declaration on the Rights of Indigenous Peoples. In recent years many of these countries have enacted legislation recognizing indigenous Peoples and their rights, and in some cases constitutional recognition has been afforded to Indigenous Peoples. At a regional level, the Inter-American Commission and Court on Human Rights have developed an important body of jurisprudence around indigenous Peoples' rights. The scope of ILO Convention 169, which

covers both Indigenous and tribal peoples, extends to groups such as Afro-descendants who do not self-identify as Indigenous, but share many characteristics in common with them. In this regard the Inter-American Court on Human Rights has clarified that the rights recognized under the international framework of Indigenous Peoples' rights, including the requirement to obtain FPIC for mining and energy projects, also applies to these tribal groups which share similar characteristics with Indigenous Peoples, such as social, cultural and economic traditions different from other sections of the national community, identifying themselves with their ancestral territories, and regulating themselves, at least partially, by their own norms, customs, and traditions.[8]

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

> Rather than aboriginality, the principle of self-identification is a key criterion for identifying Indigenous Peoples. This principle requires that peoples identify themselves as indigenous, and as distinctly different from other groups within the state.[9]

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

The focus should be on the more recent approaches focussing on self-definition as Indigenous and distinctly different from other groups within a state; on a special attachment to and use of their traditional land whereby their ancestral land and territory has a fundamental importance for their collective physical and cultural survival as peoples; on an experience of subjugation, marginalization, dispossession, exclusion or discrimination because these peoples have different cultures, ways of life or modes of production than the national hegemonic and dominant model.10.

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

> Domination and colonisation have not exclusively been practised by white settlers and colonialists. In Africa, dominant groups have also after independence suppressed marginalized groups, and it is this sort of present-day internal suppression within African states that the contemporary African Indigenous movement seeks to address."[11]

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[8] Doyle C & J Carino footnote 48

[9] African Commission on Human and Peoples' Rights, *Indigenous Peoples in Africa: the forgotten peoples? The African Commission's Work on Indigenous Peoples in Africa* (Copenhagen: IWGIA, 2006), 11

[10] Report of the African Commission's Work on Indigenous Peoples in Africa (Eks/Skolens Trykkeri, Copenhagen: ACHPR, IWGIA, 2005), 92-3 available at http://www.iwgia.org/iwgia_files_publications_files/African_Commission_book.pdf

[11] African Commission on Human and Peoples' Rights, *Indigenous Peoples in Africa: the forgotten peoples? The African Commission's Work on Indigenous Peoples in Africa* (Copenhagen: IWGIA, 2006), 92

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

212

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

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

Nomadic pastoralists include:

- the Pokot of Kenya and Uganda
- the Barabaig of Tanzania
- the Masai of Kenya and Tanzania
- the Samburu, Turkana, Rendille, Endorois and Borana of Kenya
- the Karamajong of Uganda
- the Hinda of Namibia
- the Tuareg, Fulani and Toubou of Mali, Burkina Faso and Niger
- the Amazigh of North Africa.[12]

As noted by the Commission the diverse ways of life and cultures of these groups are distinct from those of mainstream African society and their livelihoods are highly land and natural resource dependant and frequently subsistence in nature. They include hunter-gather communities, nomadic pastoralists, and, to a lesser degree, small-scale farmers and their survival is increasing threatened from territorial encroachment, in particular by actors in the energy, extractive and tourism sectors. The African Court on Human and Peoples Rights has also recognized the applicability of the concept of Indigenous Peoples to these groups and the need to ensure protection of their rights. A number of factsheets have also been developed in conjunction with IFAD on the characteristics and situation of Indigenous Peoples in African countries such as Congo, Kenya, Niger and Tanzania.[13]

Identification of Indigenous Peoples in Asia

In Asia, as in Africa, a number of governments resist the use of the term Indigenous Peoples and, with a few exceptions, such as the Philippines, Japan and Nepal, Asian States generally do not afford constitutional or legislative recognition to Indigenous Peoples as distinct peoples with collective rights. As in Africa, the argument put forward by States is that all the people of

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[12] African Commission on Human and Peoples' Rights, *Indigenous Peoples in Africa: the forgotten peoples? The African Commission's Work on Indigenous Peoples in Africa* (Copenhagen: IWGIA, 2006), 10

[13] Congo: http://ifad.org/english/indigenous/pub/documents/tnotes/congo_dr.pdf;

Kenya: http://ifad.org/english/indigenous/pub/documents/tnotes/Kenya.pdf;

Niger: http://ifad.org/english/indigenous/pub/documents/tnotes/niger.pdf;

Tanzania: http://ifad.org/english/indigenous/pub/documents/tnotes/tanzania.pdf.

ASI – Aluminium Stewardship Initiative Ltd (ACN 606 661 125)
Performance Standard – Guidance V3.1 – April 2023
www.aluminium-stewardship.org

213

Asia are indigenous to their countries. However, this argument has been soundly refuted by Asian Indigenous groups, academics and UN Human Rights bodies on grounds similar to those raised by the African Commission in Africa.[14]

Unlike Africa and Latin America, Asia lacks a region-wide Human Rights mechanism to address the issue.[15] At the sub-regional level, the Association of South East Asian Nations (ASEAN) has established a Human Rights mechanism, but its mandate is limited to the promotion of the ASEAN Declaration on Human Rights (ADHR) which does not explicitly address the rights of Indigenous Peoples.[16] Region wide guidance has, however, been provided by the UN Special Rapporteur on the rights of Indigenous Peoples following a 2013 consultation held with representatives of Indigenous Peoples in Asia.

The Rapporteur's report on the situation of Indigenous Peoples in Asia explains that there are particular groups, such as those referred to as "tribal peoples", "hill tribes", "scheduled tribes" or "Adivasis", which "distinguish themselves from the broader populations of the Asian countries and fall within the scope of the international concern for Indigenous Peoples".[17] These groups have "distinct identities and ways of life, and face very particularized Human Rights issues related to histories of various forms of oppression, such as dispossession of their lands and natural resources and denial of cultural expression".[18] They continue to be "among the most discriminated against, socially and economically marginalized, and politically subordinated parts of the societies of the countries in which they live".[19] A non-exhaustive list of groups from the various Asian countries represented in the consultation, were listed by the Rapporteur to illustrate this reality.[20]

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[14] Erni C (ed) The Concept of Indigenous Peoples in Asia: A resource Book (Chiang Mai, Copenhagen: AIPP, IWGIA, 2008)

[15] Sub-regional groups, such as the Association of South East Asian Nations (ASEAN), have formed sub-regional human rights mechanisms but these do not address the rights of Indigenous Peoples

[16] The ASEAN Declaration on the Elimination of Violence Against Women and Violence Against Children does however include a reference to "women and children belonging to ethnic and/or indigenous groups"

[17] Anaya Asia Consultation A/HRC/24/41/Add.3 para 6

[18] Ibid para 7

[19] Ibid

[20] The non-exhaustive list included the following groups:

• Bangladesh: Chakma, Marma and Tripura (collectively known as Jumma), and Santal, and Mandi, commonly referred to as Adivasi and officially referred to as tribes (upajati), minor races (khudro jatishaotta), ethnic sects and communities (nrigoshthi o shomprodai);

• Cambodia: Broa, Bunong, Chhong, Jarai, Kachak, Kavet, officially referred to as ethnic minority groups, indigenous minority peoples and Khmer-Loeu (hill tribes);

A book addressing the concept of Indigenous Peoples in Asia has been produced by Asia Indigenous Peoples Pact and the International Work Group on Indigenous Affairs, and factsheets have been developed in conjunction with International Fund for Agricultural Development (IFAD) on the characteristics and situation of Indigenous Peoples in Asia and the Pacific in countries such as Bangladesh, Cambodia, India, Indonesia, Laos, Nepal, the Philippines, and Vietnam.[21]

• India: Gond, Oraon, Khond, Bhil, Mina, Onge, Jarawa, Nagas, officially referred to as Scheduled Tribes or Adivasi (original inhabitants);

• Indonesia: Masyarakat adat communities, including groups such as the Dayak Benuaq, the Orang Tengger and the Orang Badui, a subset of whom are officially referred to as komunitas adat terpencil;

• Japan: Ainu, officially referred to as Indigenous Peoples, and the Ryukyuans or Okinawans, who have sought similar recognition as Indigenous Peoples;

• Lao People's Democratic Republic: The majority of the Mon-Khmer, Sino-Tibetan and Hmong-Mien grouping, officially referred to as ethnic minorities and non-ethnic Lao;

• Malaysia: Orang Asli (original peoples) of peninsular Malaysia, the Bukitans, Bisayahs, Dusuns, Sea Dayaks, Land Dayaks groups of Sarawak, and the natives of Sabah, officially referred to as aborigines and natives;

• Myanmar: Shan, Kayin (Karen), Rakhine, Kayah (Karenni), Chin, Kachin and Mon, commonly known as ethnic nationalities and officially referred to as national races;

• Nepal: Magar, Tharu, Tamang, Newar, Rai, Gurung and Limbu, commonly known as Adivasi Janajati and officially referred to as indigenous nationalities;

• The Philippines: Aeta, Ati, Ibaloi, Kankanaey, Mangyan, Subanen, officially referred to as Indigenous Peoples and indigenous cultural communities;

• Thailand: Karen, Hmong, Lahu, Mien, commonly known as ethnic minorities and officially referred to as "chao khao" or "hill tribes", and the nomadic sea gypsies or "Chao Lay"; and

• Viet Nam: Tay, Thai, Hmong, Muong and Khmer, officially referred to as ethnic minorities (dan toc thieu so, dan toc it nguoi).

[21] Erni C (ed) The Concept of Indigenous Peoples in Asia: A resource Book (Chiang Mai, Copenhagen: AIPP, IWGIA, 2008); Philippines: http://www.ifad.org/english/indigenous/pub/documents/tnotes/philippines.pdf;

Bangladesh: http://ifad.org/english/indigenous/pub/documents/tnotes/bangladesh.pdf;

Cambodia: http://ifad.org/english/indigenous/pub/documents/tnotes/cambodia.pdf;

India: http://ifad.org/english/indigenous/pub/documents/tnotes/india.pdf (IFAD Country Note); https://www.dropbox.com/home/India%20IPs%20Rights?preview=AIPP+report_Reduced_withcover.pdf (ILO Legal Study); Indonesia: http://ifad.org/english/indigenous/pub/documents/tnotes/indonesia.pdf;

Laos: http://ifad.org/english/indigenous/pub/documents/tnotes/laos.pdf;

Identification of Indigenous Peoples in Russia

The Russian legislative framework affords recognition to some of those groups who meet the characteristics of Indigenous Peoples under international law, including the Sami people and groups referred to as "Indigenous small-numbered peoples of the north". However, it arbitrarily excludes those peoples who share similar histories and ways of life, but whose populations exceed 50,000 people.[22]

All of these officially unrecognized Indigenous Peoples in Asia, Africa and Russia share similar characteristics with, and face similar issues to, groups in other regions that are recognized as falling under the category of Indigenous Peoples, being: a) Indigenous to a territory b) in non-dominant positions, c) "have suffered and continue to suffer threats to their distinct identities and basic Human Rights in ways not felt by dominant sectors of society".[23] Indeed, the need to address their disadvantaged situation in accordance with Human Rights principles has been recognized by their governments at the international level, as reflected in their support for the UNDRIP. Irrespective of the contradictory positions which the governments of some of these countries have adopted at the national level around the use of the term Indigenous Peoples to describe these distinct peoples, they are equally vested with the inherent rights recognized in the UNDRIP by virtue of their existence, characteristics and needs.

Indigenous Peoples in the United States, Canada, Australia, New Zealand and Europe

In the settler societies of Australia, Canada, New Zealand, and the United States demonstrating descent from the populations which inhabited the country at the time of the establishment of state is less of an obstacle than in other regions. However, issues in relation to State recognition of Indigenous Peoples exist, and legislative and policy frameworks and judicial rulings continue to fall short of international standards in terms of Indigenous rights' recognition and protection.

In the United States, certain Native American tribes are recognized by the Federal government, with a degree of recognition afforded to inherent Indigenous sovereignty under United States' jurisprudence. As a result, tribes are free to determine their membership. However, while self-identification as a tribe is necessary for recognition, it is not considered sufficient under the law. As a result, some tribes remain unrecognized and consequently lack legal protection. Likewise, the rights of tribes, or members of tribes, who reside outside of reservation lands are afforded lesser protections under the law. Furthermore, federally recognized tribal governments exist in parallel with traditional governance structures, a reality which should be

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Vietnam: http://ifad.org/english/indigenous/pub/documents/tnotes/vietnam.pdf.

[22] A/HRC/15/37/Add.5 para 8

[23] Ibid para 9

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addressed during corporate Human Rights Due Diligence and has implications for inclusive Consultations and consent seeking processes.

In Canada, Indigenous Peoples' existing rights are afforded Constitutional protection since 1982 and a complex, and often slow and inefficient, land claims system exists to ensure recognition and protection of those rights. First Nations' reserves tend to be smaller and more numerous than Native American reservations, and issues also exist around the non-recognition of First Nations that are not registered under the 1951 Indian Act, with the Inuit and Metis' rights only recently recognized. Legal rulings continue to play a significant role in shaping government policy in relation to indigenous self-governance, land rights and the requirement for consultations and consent. In both the United States and Canada historical treaties also exist, and they continue to have an important role to play in regulating the relationship of the State with Indigenous Peoples.

In New Zealand, the Treaty of Waitangi governs the relationship between the Crown and the Maori. A tribunal was established to address the claims of the Maori people. While some progress has been made in processing claims the Waitangi tribunal is under resourced leading to significant delays. The State is also failing to fully comply with its duty to Consult the Maori, as "consultation procedures appear to be applied inconsistently, and are not always in accordance with traditional Maori decision-making procedures, which tend to involve extensive discussion focused on consensus-building."[24]

Australia's Indigenous Peoples, referred to as Aboriginals and Torres Strait Islanders, lacked citizenship under the Constitution until 1967. The first recognition of their native title rights at the national level was in 1982 in the landmark Mabo case. In 1993, the Native Title Act was enacted to give effect to the ruling. Indigenous rights are also recognized to varying degrees in legislation at the federal and state level. A variety of institutions exist to represent Aboriginal peoples, ranging from a national representative body to large land councils, such as those established under land rights acts, to corporate like native title representative bodies. The relationship between these representative bodies and traditional land owners can be complex at times, and Indigenous groups have pointed to the need for an improved institutional framework that ensures the voice of Traditional Owners are heard and respected.

In Europe, the Sami of Norway, Sweden and Finland are recognized as Indigenous Peoples. Each country has its own legislation affording recognition to the Sami, with Sami Parliaments existing in Norway, Sweden and Finland. The parliaments are generally focused on issue of cultural heritage and lack the power or authority to represent Sami communities in negotiations in relation to land and resource access and usage. Norway has ratified ILO Convention 169 and as a result affords the greatest level of legal protection of the four countries to Indigenous Peoples' rights. The European Court of Human Rights has recognized

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[24] A/HRC/18/35/Add.4 para 21

the Sami status as an Indigenous People, but has not to date developed a body of jurisprudence in relation to the implementation of their land and resource rights.