

FINAL ASI Working Groups Terms of Reference (2022-24)

Approved by the Standards Committee on: 19/09/2022.

Due for review after: 01/04/2024.

Term: September 2022 – April 2024 (co-incident with current Standards Committee)

Chairs: Not applicable; the ASI Secretariat will co-ordinate and facilitate discussions.

Scope:

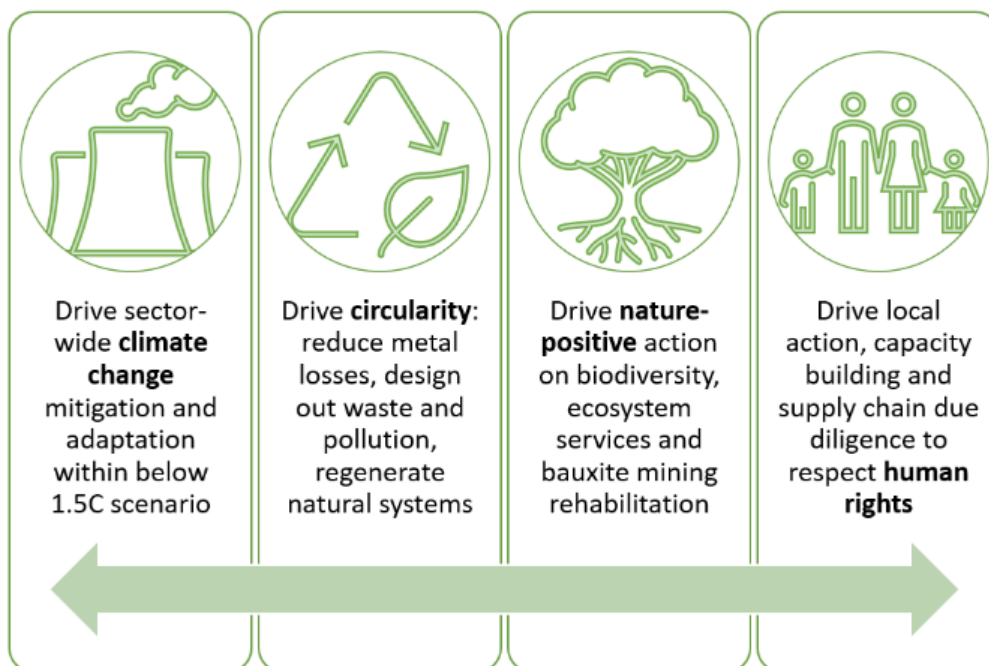
Working Groups should provide:

- Membership-wide input to the Standards and broader ASI processes (e.g., Assurance, Beyond Certification, Training & Education, Data & research, etc.);
- Fora for wider discussion across the full aluminium value chain and among a diverse set of stakeholders;
- Early warning of issues to address and identification of emerging longer-term risks, opportunities and initiatives;
- Opportunities for Members to engage in peer knowledge transfer, learning and capacity building.

In this context it is proposed to establish, in addition to the existing *Standards Benchmarking and Harmonization Working Group*, four Working Groups (WGs) that reflect ASI’s [2030 Sustainability Priorities](#):

1. Circularity;
2. Climate Change;
3. Human Rights;
4. Nature Positive.

These would replace all prior subject-specific WGs.



Each Working Group will focus on topic-specific (and some crosscutting) issues and ASI's role in enabling and accelerating global transformation of the aluminium sector. Working Groups on occasion will overlap and cross fertilise ideas, consistent with the ASI Strategy.

Given the wide range and complexity of issues within each focus area, the Working Groups as a whole would not be the sole source of expertise for Standards Committee decision-making but would be a key resource.

Working Group meetings may be organized around specific sub-topics to address Standards Committee and Secretariat identified priorities on an *ad hoc* basis, but may also be arranged to address other needs, such as peer knowledge transfer or information dissemination.

Objectives include:

1. Provide input and feedback on issues raised during Public Consultations for the 2020- 2022 Standards Revision and identified for discussion following the publication of the 2022 ASI Standards.
2. Provide input and feedback on topic-specific issues for ASI Standards Guidance updates, as raised by the Standards Committee during its current term.
3. Provide a multi-stakeholder forum for ASI Members and invited experts to explore broader issues related to targets, goals and solutions, for development by ASI as part of its work programmes. This includes early warning of issues to address, and identification of emerging longer-term risks, opportunities and initiatives.
4. Provide a space for ASI Members to share and benchmark Member action, good practice and experiences (including related to the implementation of ASI Standards) and gain feedback from a range of stakeholders.

Participation:

- Open only to ASI Members, IPAF, Secretariat and Secretariat-invited experts.
- ASI Secretariat will maintain attendance and participation records of Working Group participants.
- Individual participants will not be published except where this is consistent with ASI's Privacy Policy.

Limitations:

ASI Working Groups do not have a decision-making role in the development of ASI Strategy, Standards, or Assurance processes. Deliberations or recommendations from Working Groups may be considered in ASI decision-making by the Secretariat, Standards Committee or Board.

Circularity Working Group

The circular economy, a systems approach to global sustainability challenges, is based on three principles, driven by design (from <https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>):

- Eliminate waste and pollution
- Circulate products and materials (at their highest value)
- Regenerate nature

ASI's strategy is to drive practices at Entity level (through Certification against Performance and Chain of Custody Standards) that enable or promote systems change under these three principles. Over and above the role of Certification, ASI aims to promote broader systemic change at economy or ecosystems or wider scales.

At the Standards and Guidance development level (and at the instruction of the Standards Committee), the Circularity Working Group will work on issues including (but not limited to):

- Strengthening and refinement of PS Principle 4 (Material Stewardship)
- Strengthened criteria for Industrial Users
 - o promoting resource efficiency (delivering more service, with less impact and re-circulation of materials)
 - o product lifetimes
 - o promoting design for reuse, disassembly and recycling
 - o improving value retention (scrap sorting, uni-alloys, alloy quality)
- Outcome-based criteria towards the elimination of waste (solid wastes, air emissions and discharges to water), including threshold values per process/supply chain activity
- Criteria focused on reducing pre-consumer scrap generation
- Exploring Chain of Custody models beyond mass balance, including supply chain traceability and transparency and potential alignment with forthcoming (EU) requirements on digital product passports
- Developing improved guidance on Chain of Custody
- Regeneration in conjunction with Nature Positive and Human Rights Working Groups and Indigenous Peoples Advisory Forum.

More broadly, the WG would convene discussions on

- Improving post-consumer collection and scrap quality per segment/product class and region
- Scrap availability and quality
- Product and service-related footprints, including product design requirements
- The upstream role in developing recycling friendly alloys
- Circular business models
- Measuring circularity at Entity level and relating it to system change and outcomes (waste elimination, material circulation and nature regeneration).

Explicit linkages exist with the Nature Positive and Climate Change Working Groups in particular, but also Human Rights as part of Just Transition (equity of access to services, in part underpinned by availability of materials).

Climate Change Working Group

ASI has committed to a 1.5°C-aligned pathway for the aluminium sector. Through implementation of its Standards, ASI aims to mobilise aluminium sector climate action in line with a 1.5°C limit on global temperature rise. Assurance of such action is delivered via the ASI Certification program.

At the Standards and Guidance development level (and at the instruction of the Standards Committee), the Climate Change Working Group will work on issues including (but not limited to):

- Development and integration/endorsement of methods to define 1.5°C-aligned Entity-level pathways and emission reduction targets
- Strengthening of Criteria for threshold emissions per process/supply chain activity and expansion beyond smelting, post 2030
- Exploring the potential for consumption-based emissions thresholds/targets and product carbon footprints
- Developing and integrating Scope 3 guidance (including data quality and information flow)
- Exploring the cumulative impacts of decarbonization (e.g., land/water access; FPIC, biodiversity & ecosystem services, area of influence etc)
- Public disclosures (including recycled content).

More broadly, the WG would convene discussions on

- Emissions allocation methods and the interaction of Entity level actions and system-wide change;
- Just Transition
- Adaptation
- The interaction of corporate and product-related accounting methods and disclosures
- Regional and process-specific risks (and materiality).

Explicit linkages exist with the Nature Positive and Circularity Working Groups in particular, but also Human Rights as part of a [Just Transition](#) and climate change adaptation.

Human Rights Working Group

The Human Rights Working Group will explore the evolution (and expansion) of Human Rights, Labour Rights and Occupational Health & Safety related Criteria and supporting guidance in the ASI Standards, to address human rights impacts in the aluminium supply chain, including interaction with other Working Groups on a [Just Transition](#).

Key human rights challenges include creating more equitable sharing of impact and benefit from resource extraction and utilisation; the corporate responsibility to respect human rights and access to remedy, both directly and through business relationships; and specific measures to address the rights of Indigenous Peoples.

At the Standards and Guidance development level (and at the instruction of the Standards Committee), the Human Rights Working Group will work on issues including (but not limited to):

- Strengthening, refinement and potential additions to PS Principles 9, 10 and 11
- Supply chain Due Diligence, including related to Conflict-Affected and High-Risk Areas
- Mapping of Affected Populations and Organisations as part of Due Diligence
- Displacement and resettlement
- Free, Prior and Informed Consent
- Gender equity
- Environmental and Social Impact Assessments
- Legacy Human Rights issues.

More broadly, the WG would convene discussions on

- A Just Transition
- Human Rights Due Diligence
- Supply chain disclosures
- Interaction of ASI Standards with regulatory developments.
- Nature positive outcomes

Explicit linkages exist with all other Working Groups, particularly as it relates to their interaction and influence on Nature Positive outcomes and with the Indigenous Peoples Advisory Forum (IPAF).

Nature Positive Working Group

Current trends in biodiversity loss must be reversed in order to enable species and ecosystems recovery, such that they are able to support human and planetary wellbeing.

The concept of nature positive is currently under discussion, with a range of interpretations, from target based (action taken today to halt net loss of nature globally by 2030 and full recovery by 2050) to more process-oriented (<https://www.thebiodiversityconsultancy.com/knowledge-and-resources/net-positive-to-nature-positive-part-one/#why-nature-positive-now-an-evolution-in-business-strategy>).

What is evident, however, is the need for action today to drive systemic change that delivers absolute (not net) positive outcomes for nature globally. Business activities that deliver net gains to biodiversity can contribute by helping to halt and reverse nature loss, even as those businesses themselves may not be “nature positive”; net outcome-based approaches (mitigation hierarchy, site-level commitments etc), applied at the site or product-level, play a role but need to be augmented by system-transformation actions at wider scales (along supply chain, landscape oriented, corporate, behavioural change etc).

The Nature Positive Working Group will explore the evolution (and expansion) of current biodiversity and ecosystem services focused Criteria in light of these discussions.

At the Standards and Guidance development level (and at the instruction of the Standards Committee), the Nature Positive Working Group will work on issues including (but not limited to):

- Strengthening, refinement and potential additions to PS Principle 8 (Biodiversity & Ecosystem Services) in the light of the Post-2020 Global Biodiversity Framework, applicable and implementable at operational scale.
- Input to the development of the TNFD Nature-Related Risk & Opportunity Management and Disclosure Framework <https://framework.tnfd.global/at-organisational-and-broader-scales>.
- Outcome-based Criteria development, including baseline data and appropriate measurement/metrics
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- Definition of aluminium specific Guidance on biodiversity commitments across four key dimensions: scope, mainstreaming, integration and ambition.
- Guidance on disclosure
- Identification of and tools for high-risk regions and processes
- The interaction of biodiversity and ecosystems services and social equity.

More broadly, the WG would convene discussions on

- Definitions, fundamental concepts, changing interpretations related to nature
- Tools that support delivery of equitable mine rehabilitation and mine closure plans consistent with PS Principle 8;
- Exploring the relationship of Entity level actions and system-wide change
- Tools for businesses to address nature-related risks at asset, corporate, value chain and systems levels.

Explicit linkages exist with all other Working Groups and with the Indigenous Peoples Advisory Forum (IPAF).

Standards Benchmarking and Harmonisation Working Group

Benchmarking and harmonisation activities are increasingly relevant in the context of proliferating standards, initiatives and due diligence regulations.

ASI aims to recognise relevant Standards and Certification Schemes wherever possible and appropriate, in order to increase uptake of ASI membership and certification, enhance collaboration, reduce unnecessary duplication, and inform ASI's learning and continual improvement.

This [ASI Standards Benchmarking and Recognition Procedure](#) outlines the process to be followed by the ASI Secretariat for identification, prioritisation, benchmarking and review of Standards and Certification Schemes for potential recognition with, including recognition by and of, ASI Standards.

As described in the ASI Standards Benchmarking and Recognition Procedure, the role of Standards Benchmarking and Harmonisation Working Group is to review a range of relevant externally recognised Standards, Certification Schemes for benchmarking and recognition with ASI Standards. This includes relevant Standards and Certification Schemes for benchmarking and recognition with ASI Standards and Assurance program, and having the ASI Standards and Assurance program benchmarked and recognised by external Standards and Certification Schemes.

Specifically, the Working Group will work on issues including (but not limited to):

- Periodically identifying and reviewing new, or changes to existing Standards and Certification Schemes for potential recognition (by ASI and of ASI)
- Reviewing the proposed Standard or Certification Scheme to determine if it is relevant and material to ASI, and agreeing whether to carry out an (ASI or external) benchmarking assessment
- Discussing the results of the (ASI or external) benchmarking assessment with the ASI Secretariat during Working Group meetings
- Monitoring external Standards or Certification Schemes for revisions and changes that may affect the recognition (by ASI and of ASI).

The ASI Standards Committee is responsible for reviewing and endorsing the recommendations made by the ASI Secretariat or the WG, for further action as appropriate. For ASI recognition of a Standard or Certification Scheme to take effect, it must be approved by the ASI Standards Committee and adopted by the ASI Board.