

ASI Management Response

Sustainability Standard Systems for Mineral Resources – A Comparative Overview

Prepared by German Government Research body Bundesanstalt für Geowissenschaften und Rohstoffe (BGR)

Publication date: 20 December 2022

The research report can be found on International Institute for Sustainable Development (IISD)'s website here:

https://www.bgr.bund.de/DE/Themen/Min_rohstoffe/Downloads/studie_sustainability_standard_systems_2022.pdf;jsessionid=D6090192EEA4F710E0C0B24D95C57024.internet962?__blob=publicationFile&v=14

Findings and Recommendations

The report evaluates eleven standard systems for large scale mining and related supply chains, analysing governance, content and implementation, as well as a comparison with the EU principles for sustainable raw materials. The standard systems analysed include Aluminium Stewardship Initiative (ASI), CERA 4in1, Initiative for Responsible Mining Assurance (IRMA), International Council on Mining and Metals (ICMM), International Finance Corporation (IFC), Responsible Jewellery Council (RJC), Responsible Minerals Assurance Process (RMAP), ResponsibleSteel, The Copper Mark, Towards Sustainable Mining (TSM) and World Gold Council (WGC).

Recognition and Governance: ASI is recognised for its governance structure, achieving top ratings in six out of seven assessed criteria. Key strengths include robust multi-stakeholder engagement, adherence to ISEAL Code Compliance, and rigorous auditing practices.

Comprehensive Coverage: ASI's sustainability standards exhibit a thorough approach across the entire mineral resources value chain. This proactive stance addresses a wide array of environmental, social, and governance (ESG) challenges within the mining sector.

The comparison of relevant requirements of the standard systems to the EU environmental principles reveals that "With regards to material stewardship and circular economy, standard systems for the upstream supply chain are mostly not addressing these issues. Obviously, safe use, disposal and recycling of products (8a) is mostly part of

initiatives that include the downstream supply chain, ASI covers this most comprehensively.”

Additionally, the comparison results indicate that enhancing standard requirements to improve worker skills, bolster management accountability, and enhance waste management and material stewardship in mining and processing would benefit ASI. Moreover, it is important to incorporate assessments of vulnerability to climate change and strategies for improving resilience into sustainability standards. Addressing these aspects will not only strengthen ASI's approach to sustainable mining practices but also align it with evolving global environmental challenges and expectations.

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We would like to thank the German Government Research body, Bundesanstalt für Geowissenschaften und Rohstoffe (BGR), for recognizing ASI's leading position among mineral resources sustainability initiatives in their comparative study.

Although one of the youngest among the initiatives assessed, ASI is grateful to have received commendation for its governance, supply chain coverage, and standards issue addressed. As noted in the BGR study, ASI stands out as one of only two ISEAL Code Compliant members in the cohort, achieving the highest "high-level" rating in seven out of seven governance criteria assessed, a distinction unmatched by any other scheme. These areas encompass ASI's robust multi-stakeholder governance structure, adherence to ISEAL Code Compliance, audit methodology, third-party verification standards, assurance standards for conformity assessment, transparency of audit results, and mechanisms for complaints and whistleblowing.

The comprehensive coverage of the entire value chain and a wide range of sustainability issues by ASI was also highlighted in the study.

The BGR study, "Sustainability Standard Systems for Mineral Resources, A Comparative Overview – 2022," provides invaluable insights that support our ongoing efforts to enhance sustainability in mining and mineral supply chains. It builds upon previous analyses, including the 2017 study by Kickler and Franken, underscoring the importance of continuous improvement and adherence to international best practices.

We extend our sincere appreciation to BGR for their rigorous evaluation and constructive feedback, which inspire ASI to continually drive responsible production, sourcing and stewardship in the global aluminium value chain.