

Draft ASI Performance Standard V4 (PS V4)

1st Consultation Draft

Modular Section 9: Mine Closure

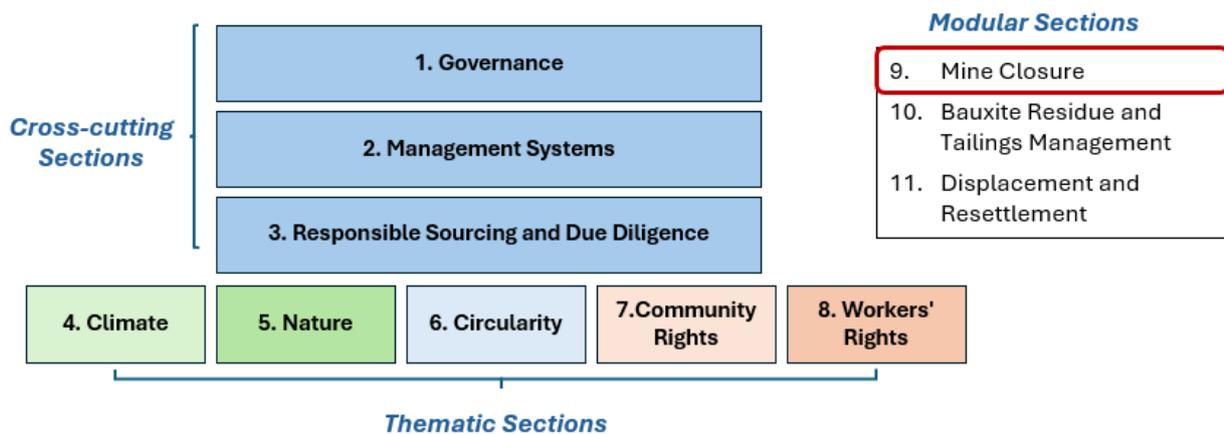
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Introduction

The ASI Performance Standard V4 (PS V4) consultation draft includes a main standard (PDF) with eight sections, as well as three ‘modular’ sections. These modular sections have been developed as separate documents and are applicable only in specific contexts.

Section 9: Mine Closure is one of the modular sections and applies to Entities with bauxite mining under their certification scope.

ASI PS V4 Proposed Structure: Consultation Draft



ASI is seeking feedback on this consultation draft as part of the **first public consultation on the revised Performance Standard V4 (PS V4)**. The consultation is open from 17 February – 20 April 2026 and more information can be found on the [consultation webpage](#), including how to give your input.

9. Modular Section: Mine Closure

Overview of subsections:

- 9.1. Mine closure planning
- 9.2. Biodiversity and ecosystem services impacts
- 9.3. Socio-economic impacts and transitions
- 9.4. Integration of circularity principles
- 9.5. Financial resources and planning for closure

Key defined terms

These defined terms apply specifically to Section 9: Mine Closure. For defined terms that are used across other sections of the ASI Performance Standard (PS) V4, please refer to the Glossary at the back of the main [PS V4 Consultation Draft](#). All defined terms are underlined once at the start of each Criterion where they appear.

Mine closure	<p>Mine closure is the process of planning and managing the decommissioning of a mine, mitigating impacts, undertaking environmental rehabilitation and relinquishing the leases.</p> <p>This incorporates the social aspects of mine closure, recognising the level of dependence that many communities have on mining. This includes impacts on health and well-being of communities when mining activities end, as well as how these impacts are managed.</p> <p><i>Adapted from Bainton, N.A. and Holcombe, S. (2018). The Social Aspects of Mine Closure: A Global Literature Review, p. 4-5. Centre for Social Responsibility in Mining (CSRMI), Sustainable Minerals Institute (SMI), The University of Queensland: Brisbane.</i></p> <p><i>NEW – not defined in PS V3</i></p>
Closure objectives	<p>Objectives that set out the long-term goals for closure outcomes. Those objectives should be based on the proposed post-mining land use and be as specific as possible to provide a clear indication to Stakeholders of what the company commits to achieving at completion of the closure process.</p> <p><i>NEW – not defined in PS V3</i></p>
Closure criteria	<p>Agreed standards or levels of performance that indicate the success of rehabilitation and enable an operator to determine when its liability for an area ceases.</p> <p><i>NEW – not defined in PS V3</i></p>
Financial Assurance (security)	<p>A financial instrument lodged with the responsible authority or an alternative governance mechanism that is adequate to cover the estimated cost of closure.</p> <p><i>NEW – not defined in PS V3</i></p>
Financial Provision (Closure provision)	<p>A financial accrual based on a cost estimate of closure activities. Often calculated using a Net Present Value (NPV) method and reported under International Financial Reporting Standards (IFRS).</p> <p><i>NEW – not defined in PS V3</i></p>
Post-mining land use	<p>Land use that occurs after the cessation of mining operations.</p> <p><i>NEW – not defined in PS V3</i></p>
Rehabilitation	<p>Rendering a mine or mined area safe, stable and non-polluting in the long term, taking into account beneficial uses of the site and surrounding land (sometimes referred to as reclamation).</p> <p><i>Amended PS V3 definition (see Mine Rehabilitation) with minor adjustments</i></p>
Relinquishment (Hand Over)	<p>Formal recognition that the completion criteria for the mine have been met, and that the land can be released to Indigenous Peoples or underlying rights holders. Often relinquishment is formally approved by relevant governmental authorities and results in cessation of mining titles or other tenure arrangements specific to the activities conducted.</p> <p><i>NEW – not defined in PS V3</i></p>

9.1. Mine closure planning

Notes: Closure planning is a process that extends over the mine life cycle, including decommissioning and rehabilitation, and which typically culminates in relinquishment.

Criterion 9.1.1. The Entity develops and implements a comprehensive mine closure plan	Notes
<p>9.1.1.1. Develop and implement a <u>mine closure</u> plan, which includes, as minimum:</p> <ol style="list-style-type: none"> The area to which the closure plan applies (including the mine and associated facilities under the Entity’s control) Post-mining land use(s), <u>closure objectives</u>, and <u>closure criteria</u>, incorporating those related to biodiversity and ecosystem services (as per 9.2), socio-economic impacts (9.3), and circularity (9.4) Proposed closure and decommissioning timelines based on an estimated life of mine A post-closure liability period, as per 9.1.1.4 / 9.1.1.5 A land <u>relinquishment</u> plan, implementable on achievement of closure objectives Risk assessment and mitigation actions for unplanned closure. <p><i>Explanatory notes: All closure-related plans referenced in section 9: Mine Closure may be either integrated or standalone documents. “Life of mine” (as per c) refers to the cessation of active bauxite extraction; this should be refined as the operation nears planned closure. The life of mine is calculated based on geological reserves and resources, as normally calculated under established reporting frameworks such as the JORC Code and NI 43-101</i></p> <p><i>Mine closure plans incorporate:</i></p> <ol style="list-style-type: none"> Input from qualified specialists Pre-disturbance land use and biodiversity baseline studies conducted using a credible, internationally accepted methodology sufficient to identify priority biodiversity values and ecosystem services. Where historic disturbance occurred in the absence of adequate baseline studies, the Entity should use the best information available to approximate pre-disturbance conditions, which may involve the use of analogue sites. Pre-disturbance baseline studies includes current land use e.g. primary production and historic natural conditions including status e.g. vegetation types may now be threatened due to historic land clearing. Pre-disturbance livelihood, social and economic baseline studies Identification and mapping of all relevant stakeholders (see also 7.1 Identification of affected communities) A risk, impact and opportunity assessment related to closure, with involvement of the identified stakeholders Scientific studies or evidence that demonstrate proposed rehabilitation actions are likely to be effective 	<p>Major change (8.7a) – more specificity required</p> <p><i>Applicable: Mining</i></p>
<p>9.1.1.2. The mine closure plan (as per 9.1.1.1) is developed in consultation with affected communities and other key stakeholders and is shared with these groups in an accessible format.</p> <p><i>Explanatory notes: Where Indigenous Peoples are present, see Criterion 9.1.2.1 on FPIC. Implementation of this Criterion will be highly location specific. See Section 7 on general community consultation requirements.</i></p>	<p>Minor change (8.7e)</p> <p><i>Applicable: Mining</i></p>
<p>9.1.1.3. Where an Entity has legal requirements applied to its operations that contradict the requirements of this Standard with respect to closure planning and implementation, the Entity shall prioritise applicable law. The Entity shall demonstrate that it is working to achieve the goals of this Standard to the extent possible while complying with applicable law.</p>	<p>New</p> <p><i>Applicable: Mining</i></p>

<p><i>Explanatory notes: Entities may encounter situations where either applicable law or specific conditions set on project approvals, tenure or legislation prevent the Entity complying with this standard. This Criterion should not in any way be interpreted as preventing an Entity from achieving outcomes beyond the minimum required under applicable law.</i></p>	
<p>9.1.1.4. As per the closure plan (9.1.1.1), commit to a minimum monitoring, management, and rehabilitation period of at least 30 years from decommissioning, for which the Entity maintains responsibility and liability for the site (where relevant, this includes liability beyond formal relinquishment).</p> <p><i>FOR CONSULTATION: stakeholders are invited to comment on whether 30 years is an appropriate period for monitoring; see the Mine Closure section of the Consultation Survey to provide your input.</i></p>	<p>New <i>Applicable: Mining</i></p>
<p>9.1.1.5. Leading Practice: As per the mine closure plan in 9.1.1.1, commit to a minimum monitoring, management, and rehabilitation period of at least 40 years from decommissioning, for which the Entity maintains responsibility and liability for the site (where relevant, this includes liability beyond formal relinquishment).</p> <p><i>Explanatory notes: Ongoing liabilities for project rehabilitation may include resourcing activities such as the control of alien species that were introduced by the Entity’s activities, control of erosion of rehabilitated landforms, monitoring and management of contamination i.e. hydrocarbon spills and in ground dump sites. FOR CONSULTATION: stakeholders are invited to comment on whether 30 years is an appropriate period for monitoring; see the Mine Closure section of the Consultation Survey to provide your input.</i></p>	<p>New <i>Applicable: Mining</i></p>
<p>9.1.1.6. Leading Practice: The mine closure plan is based on the results of a cumulative impact assessment, conducted in partnership with affected Indigenous Peoples and other key stakeholders, where present.</p> <p><i>Explanatory notes: It is recommended that the Entity use the Indigenous-Led Participatory and Cumulative Impact Assessment (IPCIA) method, which will demonstrate conformance with this leading practice criterion.</i></p>	<p>New <i>Applicable: Mining</i></p>
<p>9.1.1.7. Leading Practice: The mine closure plan includes a clear statement of liability for any legacy impacts (disturbance) from previous mining and associated activities within the Entity’s area of influence.</p> <p><i>Explanatory note: Legacy disturbance could describe either disturbance by earlier mining companies not related to the Entity, or earlier mining by the Entity in areas around their current mine.</i></p>	<p>New <i>Applicable: Mining</i></p>
<p>Criterion 9.1.2. Where <u>Indigenous Peoples</u> are potentially impacted, Free, Prior and Informed Consent is obtained for the Mine Closure Plan</p>	<p><i>Notes</i></p>
<p>9.1.2.1. Where Indigenous Peoples are potentially affected, the <u>closure</u> plan shall be developed with the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples as per Criterion 7.6 (Free, Prior and Informed Consent), ensuring that:</p> <ol style="list-style-type: none"> a. The FPIC process is applied to all relevant elements of this section of the Standard b. The FPIC of Indigenous Peoples is obtained prior to making any major change to the plan c. The ongoing FPIC of Indigenous Peoples for the plan is maintained throughout the life of the operation 	<p>Major change (9.4b) – more detail added <i>Applicable: Mining if Indigenous</i></p>

<p><i>Explanatory notes: FPIC was already required for altering a mine closure or rehabilitation plan under PS V3 (Criterion 9.4). This Criterion provides more detail. Specific requirements and guidance related to the FPIC process are set out under Criterion 7.6.</i></p>	<p>Peoples are present</p>
<p>9.1.2.2. Leading practice: Affected Indigenous Peoples or their representatives are formally documented as either equal or lead partners in governance documents related to the development and implementation of the closure plan, and act as equal or lead partners in the implementation of the plan.</p> <p><i>Explanatory notes: This requirement aims to go beyond demonstrating that Indigenous Peoples were consulted in the development of the Plan, and to demonstrate that they are equal partners in the design and implementation of the Plan. Examples could include demonstrating that Indigenous Peoples form a substantial part of governance committees or working group that have direct control over closure actions, and/or that Indigenous Peoples and their businesses will conduct a substantial portion of the closure work required.</i></p>	<p>New</p> <p>Applicable: Mining if Indigenous Peoples are present</p>

9.2. Biodiversity and ecosystem services impacts

Criterion 9.2.1. Biodiversity values and ecosystem services are prioritised in closure planning	Notes
<p>9.2.1.1. Rehabilitation objectives and planned measures are defined, considering ecosystem services, soil quality and stability, water management, revegetation and restoration of biodiversity.</p> <p><i>Explanatory notes: Input from qualified specialists should inform the rehabilitation planning, which can be standalone or integrated with the mine closure plan. Ongoing rehabilitation of disturbed land for mines is covered under Section 5 (Nature). This requirement focuses on rehabilitation related to the planning for closure and should be considered as part of the overall closure process.</i></p>	<p>New</p> <p>Applicable: Mining</p>
<p>9.2.1.2. The post mining land use(s), including adjusted land uses, closure objectives and closure criteria in the mine closure plan (9.1.1.1) shall align with the overall biodiversity management plan as per <i>Subsection 5.1: Biodiversity and Ecosystem Services</i>.</p> <p><i>Explanatory notes: Criterion 5.1.2 requirements include application of the biodiversity mitigation hierarchy (5.1.2.1); a commitment, timeline and measures to achieve no net loss or net gain (5.1.2.2), with a target by completion of closure (5.1.2.4). Entities are required to address maintenance or improvement of priority ecosystem services in the biodiversity management plan (5.1.4.2). Financial provisions related to biodiversity and ecosystem services are covered under Criterion 9.5.1, including provision for offsets (where applicable) and long-term monitoring (typically more than 20 years).</i></p>	<p>New</p> <p>Applicable: Mining</p>

9.3. Socio-economic impacts and transitions

Criterion 9.3.1. Closure planning includes socio-economic impacts and transition planning.	Notes
<p>9.3.1.1. Conduct and disclose, at least five years prior to planned cessation of mining activities, a socio-economic assessment that is specific to closure.</p>	<p>Major change (2.5/2.6)</p> <p>Applicable: Mining - within</p>

		<i>five years of planned closure</i>
9.3.1.2.	Develop a socio-economic transition plan in consultation with affected communities and other key stakeholders to maximise post-closure livelihoods and minimise human rights impacts and negative socio-economic impacts of closure. The plan shall be shared with affected communities in an accessible format.	New <i>Applicable: same as 9.2.1.1</i>
9.3.1.3.	Establish and maintain a multi-stakeholder governance body to guide the implementation of the socio-economic transition plan.	New <i>Applicable: same as 9.2.1.1</i>
9.3.1.4.	Implement a communication process to ensure that all stakeholders are regularly informed about the closure process and actions taken to mitigate impacts, in a form appropriate to the audience. <i>Explanatory notes: This process may include publishing meeting minutes of the multi-stakeholder governance body (as per 9.2.1.3)</i>	New <i>Applicable: same as 9.2.1.1</i>
9.3.1.5.	Leading Practice: The socio-economic transition plan is supported by a formalised agreement with affected communities, including Indigenous Peoples where relevant. <i>Explanatory notes: The aim is to help manage the transition in a way that mitigates identified impacts to communities</i>	New <i>Applicable: same as 9.2.1.1</i>

9.4. Integration of circularity principles

Criterion 9.4.1. Closure planning incorporates principles of the circular economy to maximise recovery and reuse of materials		Notes
9.4.1.1.	As part of the <u>mine closure</u> plan, the Entity shall develop and implement actions to maximise the recovery and reuse of materials and resources from decommissioned mining and ancillary assets, based on circular economy principles. The plan shall: <ul style="list-style-type: none"> a. Provide indicative quantification by mass, potential destinations, and feasibility assessments, appropriate to the stage of mine life; b. Incorporate a risk assessment of the assets' potential contamination or safety hazards; c. Identify materials and natural resources of potential value, and plan their reuse in consultation with affected communities; and d. Include measures so that resource outflows from closure are not disposed of in landfills, unless demonstrated to be non-recoverable. <i>Explanatory notes: Mining and ancillary assets refers to roads, rail, conveyors, buildings, ore processing and loading facilities, camps, wastewater treatment facilities etc. For materials used in new projects the Entity should apply circularity principles in selection of materials, with an aim to verify that materials can be re-used in the future. The Plan should be refined over time, achieving a high level of detail and certainty as the mine approaches its end of life. Key reference: ASI, 'Circular Economy Approach in Bauxite Mine Closure Planning: Concept Paper,' 2025. Available here .</i>	New <i>Applicable: Mining</i>
9.4.1.2.	Establish a plan for the transition of shared infrastructure to local communities. The plan shall: <ul style="list-style-type: none"> a. Be developed in consultation with affected communities, including Indigenous Peoples where relevant b. Consider findings from independent feasibility assessments (to assess if infrastructure is fit for purpose, or whether it risks becoming a liability to communities). 	New <i>Applicable: Mining - within five years of planned closure</i>

<p><i>Explanatory notes: This plan should consider infrastructure such as haul roads, power and water (dams, pipelines, pumping systems) as well as built infrastructure such as wharves (including maintenance requirements such as dredging), storage facilities, admin buildings, workshops etc. Feasibility assessments help ensure that infrastructure transferred to communities is not in need of maintenance that cannot be resourced locally, is not inappropriate to the needs of the communities, or contains significant environmental or other liabilities (unless active steps to mitigate the liability are implemented, i.e. ongoing maintenance support agreements, financial assurances or provisions).</i></p>	
<p>9.4.1.3. Leading practice: For decommissioning projects, demonstrate that at least of 80% of materials from decommissioned infrastructure are recovered</p> <p><i>Explanatory notes: The intent of recovery is that materials re-enter the supply chain for high-value reuse or recycling. FOR CONSULTATION: stakeholders are invited to comment on whether 80% is an appropriate threshold, see the Consultation Survey to provide your input.</i></p>	<p>New</p> <p><i>Applicable: Mining if decommissioning is underway or completed</i></p>

9.5. Financial resources and planning for closure

Criterion 9.5.1. Provide and guarantee financial resources for closure	Notes
<p>9.5.1.1. Estimate the financial cost of closure using a robust and transparent cost estimation method.</p> <p><i>Explanatory notes: Closure costs should be calculated including a contingency amount of not less than 15%. Costs are to be estimated to accuracy levels proportionate to the length of time until planned closure. Generally, the accuracy levels should be 20-30% up to three years before planned closure (equivalent to a ‘Pre-Feasibility Study’) and 10-15% within three years of planned closure (equivalent to a ‘Definitive’ or ‘Bankable’ Pre-Feasibility Study. This should include costs related to longer-term monitoring of any offsets used as part of the no net loss (NNL) or net gain strategy for biodiversity, as per Criterion 9.2.1</i></p>	<p>Major change (8.7h)</p> <p><i>Applicable: Mining</i></p>
<p>9.5.1.2. Put in place <u>financial provisions</u> for the value of the closure costs determined and disclosed in 9.5.1.1 to ensure availability of financial resources to meet rehabilitation and closure requirements, established as accruals in the Entity’s financial statements in accordance with International Financial Reporting Standards (IFRS).</p> <p><i>Explanatory notes: This requires that the Entity budgets for closure by showing closure costs as a liability in their financial statements. Any discount rate applied shall be in accordance with the IFRS.</i></p>	<p>Major change (8.7h)</p> <p><i>Applicable: Mining</i></p>
<p>9.5.1.3. Leading practice: Make the financial provisions in the form of a <u>financial assurance</u> that is independently guaranteed, liquid, and not reliant on nor secured to the underlying assets nor cashflow of the facility.</p> <p><i>Explanatory notes: This requires that the Entity puts cash aside into a bond/special purpose account or gives a bank guarantee. This means that financial resources will always be available for closure, even in the event of company bankruptcy. Governance structures should be implemented so that the financial assurance can be released only for the intended purpose. This goes beyond the requirements of ASI PS V3, although it is already a legal requirement in many jurisdictions. For Entities operating in such jurisdictions, compliance with applicable law may also be conformance for this requirement.</i></p>	<p>New</p> <p><i>Applicable: Mining</i></p>